



State of Illinois
Office of the Comptroller

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2009



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STATE OF ILLINOIS

Comprehensive Annual Financial Report

~ 2009 ~

For Fiscal Year Ended June 30, 2009

Comptroller Daniel W. Hynes

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Introductory Section

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**Comprehensive Annual Financial Report
Table of Contents**

| | Page |
|--|-----------------|
| I. Introductory Section | |
| Table of Contents..... | I - IV |
| Comptroller Letter of Transmittal..... | V - XI |
| Certificate of Achievement..... | XII |
| Organizational Chart..... | XIII |
| II. Financial Section | |
| Independent Auditors' Report..... | 1 - 2 |
| Management's Discussion and Analysis..... | 3 - 17 |
| Basic Financial Statements | |
| Government-wide Financial Statements | |
| Statement of Net Assets..... | 19 |
| Statement of Activities..... | 20 - 21 |
| Governmental Funds Financial Statements | |
| Balance Sheet..... | 22 |
| Reconciliation of Governmental Funds Balance Sheet to Statement of Net Assets..... | 23 |
| Statement of Revenues, Expenditures and Changes in Fund Balances..... | 24 |
| Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to Statement of Activities..... | 25 |
| Proprietary Funds Financial Statements | |
| Statement of Net Assets..... | 26 |
| Statement of Revenues, Expenses and Changes in Fund Net Assets..... | 27 |
| Statement of Cash Flows..... | 28 - 29 |
| Fiduciary Funds Financial Statements | |
| Statement of Fiduciary Net Assets..... | 30 |
| Statement of Changes in Fiduciary Net Assets..... | 31 |
| Component Unit Financial Statements | |
| Statement of Net Assets..... | 32 - 33 |
| Statement of Activities..... | 34 - 35 |
| Notes to the Financial Statements..... | 37 - 135 |
| Required Supplementary Information Other Than Management's Discussion and Analysis | |
| Budgetary Comparison Schedule - Major Governmental Funds..... | 138 - 139 |
| Notes to Budgetary Comparison Schedule - Budget and Actual - Major Governmental Funds..... | 140 - 142 |
| Defined Benefit Pension Plans - Schedule of Funding Progress..... | 143 |
| Defined Benefit Other Postemployment Benefit Plans - Schedule of Funding Progress..... | 143 |
| Combining and Individual Fund Financial Statements/Schedules | |
| General Fund | |
| Significant General Fund Account Descriptions..... | 145 |
| Combining Schedule of Accounts - General Fund..... | 146 |
| Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - General Fund..... | 147 |
| Combining Schedule of Accounts - General Fund - Medicaid Provider Assessment Program..... | 148 |
| Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - General Fund - Medicaid Provider Assessment Program..... | 149 |
| Nonmajor Governmental Funds | |
| Combining Balance Sheet - Nonmajor Governmental Funds..... | 150 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds..... | 151 |
| Special Revenue Funds | |
| Significant Nonmajor Governmental Special Revenue Funds Descriptions..... | 153 - 156 |
| Combining Balance Sheet - Nonmajor Special Revenue Funds..... | 158 - 159 |

Page

| | |
|--|-----------|
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds..... | 160 - 161 |
| Combining Balance Sheet - Attorney General..... | 162 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Attorney General..... | 163 |
| Combining Balance Sheet - Treasurer..... | 164 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Treasurer..... | 165 |
| Combining Balance Sheet - Commerce and Economic Opportunity..... | 166 - 167 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Commerce and Economic Opportunity..... | 168 - 169 |
| Combining Balance Sheet - Natural Resources..... | 170 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Natural Resources..... | 171 |
| Combining Balance Sheet - Employment Security..... | 172 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Employment Security..... | 173 |
| Combining Balance Sheet - Financial and Professional Regulation..... | 174 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Financial and Professional Regulation..... | 175 |
| Combining Balance Sheet - Human Services..... | 176 - 177 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Human Services..... | 178 - 179 |
| Combining Balance Sheet - Revenue..... | 180 - 181 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Revenue..... | 182 - 183 |
| Combining Balance Sheet - Transportation..... | 184 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Transportation..... | 185 |
| Combining Balance Sheet - Other Departments Funds..... | 186 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Other Departments Funds..... | 187 |
| Combining Balance Sheet - Illinois Commerce Commission..... | 188 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Illinois Commerce Commission..... | 189 |
| Combining Balance Sheet - State Board of Education..... | 190 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances - State Board of Education..... | 191 |
| Combining Balance Sheet - Office of the State Fire Marshal..... | 192 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Office of the State Fire Marshal..... | 193 |
| Combining Balance Sheet - Other Agencies, Boards and Authorities..... | 194 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Other Agencies, Boards and Authorities..... | 195 |

Debt Service Funds

| | |
|--|-----|
| Significant Nonmajor Governmental Debt Service Funds Descriptions..... | 197 |
| Combining Balance Sheet - Nonmajor Debt Service Funds..... | 198 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Debt Service Funds..... | 199 |
| Combining Balance Sheet - Governor's Office of Management and Budget..... | 200 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Governor's Office of Management and Budget..... | 201 |

Capital Projects Funds

| | |
|---|-----|
| Significant Nonmajor Governmental Capital Projects Funds Descriptions..... | 203 |
| Combining Balance Sheet - Nonmajor Capital Projects Funds..... | 204 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Projects Funds..... | 205 |
| Combining Balance Sheet - Commerce and Economic Opportunity..... | 206 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Commerce and Economic Opportunity..... | 207 |
| Combining Balance Sheet - Transportation..... | 208 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Transportation..... | 209 |
| Combining Balance Sheet - Capital Development Board..... | 210 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Capital Development Board..... | 211 |

Nonmajor Enterprise Funds

| | |
|--|-----|
| Significant Nonmajor Enterprise Funds Descriptions..... | 213 |
| Combining Statement of Net Assets - Nonmajor Enterprise Funds..... | 214 |

| | Page |
|--|-------------|
| Combining Statement of Revenues, Expenses and Changes in Net Assets - Nonmajor Enterprise Funds..... | 215 |
| Combining Statement of Cash Flows - Nonmajor Enterprise Funds..... | 216 - 217 |
| Internal Service Funds | |
| Significant Internal Service Funds Descriptions..... | 219 |
| Combining Statement of Net Assets - Internal Service Funds..... | 220 |
| Combining Statement of Revenues, Expenses and Changes in Net Assets - Internal Service Funds..... | 221 |
| Combining Statement of Cash Flows - Internal Service Funds..... | 222 - 223 |
| Combining Statement of Net Assets - Central Management Services..... | 224 |
| Combining Statement of Revenues, Expenses and Changes in Net Assets - Central Management Services..... | 225 |
| Combining Statement of Cash Flows - Central Management Services..... | 226 |
| Pension (and Other Employee Benefit) Trust Funds | |
| Pension (and Other Employee Benefit) Trust Funds Descriptions..... | 227 |
| Combining Statement of Fiduciary Net Assets - Pension (and Other Employee Benefit) Trust Funds..... | 228 - 229 |
| Combining Statement of Changes in Fiduciary Net Assets - Pension (and Other Employee Benefit) Trust Funds..... | 230 - 231 |
| Investment Trust Funds | |
| Investment Trust Funds Descriptions..... | 233 |
| Combining Statement of Fiduciary Net Assets - Investment Trust Funds..... | 234 |
| Combining Statement of Changes in Fiduciary Net Assets - Investment Trust Funds..... | 235 |
| Private-Purpose Trust Funds | |
| Significant Private-Purpose Trust Fund Description..... | 237 |
| Combining Statement of Fiduciary Net Assets - Private-Purpose Trust Funds..... | 238 |
| Combining Statement of Changes in Fiduciary Net Assets - Private-Purpose Trust Funds..... | 239 |
| Agency Funds | |
| Significant Agency Funds Descriptions..... | 241 |
| Combining Statement of Fiduciary Net Assets - Agency Funds..... | 242 |
| Combining Statement of Changes in Assets and Liabilities - Agency Funds..... | 243 - 244 |
| Combining Statement of Fiduciary Net Assets - Revenue..... | 245 |
| Combining Statement of Changes in Assets and Liabilities - Revenue..... | 246 |
| Component Units | |
| Nonmajor Component Units Descriptions..... | 247 - 248 |
| Combining Statement of Net Assets - Other Authorities..... | 250 - 251 |
| Combining Statement of Activities - Other Authorities..... | 252 - 253 |
| Combining Statement of Net Assets - Other Universities..... | 254 - 255 |
| Combining Statement of Activities - Other Universities..... | 256 - 257 |
| Budgetary Schedules | |
| Budgetary Schedule Descriptions..... | 259 |
| Combined Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances-Budget and Actual (Non-GAAP) - | |
| ..All Budgeted Fund Groups..... | 260 - 263 |
| ..General Funds..... | 264 - 265 |
| ..Highway Funds..... | 266 - 269 |
| ..Special State Funds..... | 270 - 271 |
|Elected Officials..... | 272 - 273 |
|Comptroller..... | 274 - 275 |
|State Treasurer..... | 276 - 277 |
|Code Departments..... | 278 - 281 |
|Commerce and Economic Opportunity..... | 282 - 283 |
|Natural Resources..... | 284 - 285 |
|Financial and Professional Regulation..... | 286 - 287 |

| | Page |
|--|-------------|
|Human Services..... | 288 - 289 |
|Healthcare and Family Services..... | 290 - 294 |
|Revenue..... | 296 - 300 |
|Transportation..... | 302 - 303 |
|Other Code Departments..... | 304 - 305 |
|Agencies, Boards and Commissions..... | 306 - 307 |
|Environmental Protection Agency..... | 308 - 309 |
|Other Agencies, Boards and Commissions..... | 310 - 312 |
| ..Bond Financed Funds..... | 314 - 315 |
| ..Debt Service Funds..... | 316 - 317 |
| ..Federal Trust Funds..... | 318 - 319 |
|Code Departments..... | 320 - 321 |
|Commerce and Economic Opportunity..... | 322 - 323 |
|Human Services..... | 324 - 326 |
|Other Code Departments..... | 328 - 329 |
|Agencies, Boards and Commissions..... | 330 - 331 |
|State Board of Education..... | 332 - 333 |
|Illinois Emergency Management Agency..... | 334 - 335 |
|Other Agencies, Boards and Commissions..... | 336 - 337 |
| ...Student Assistance Commission..... | 338 - 339 |
| ..Revolving Funds..... | 340 - 341 |
|Central Management Services..... | 342 - 344 |
| ..State Trust Funds..... | 346 - 347 |
|Code Departments..... | 348 - 349 |
|Central Management Services..... | 350 - 351 |
|Revenue..... | 352 - 353 |
|Other Agencies, Boards and Commissions..... | 354 - 355 |

III. Statistical Section

| | |
|---|-----------|
| Schedule 1 - Net Assets by Component, Last Eight Fiscal Year Ends..... | 361 |
| Schedule 2 - Fund Balances, Governmental Funds, Last Eight Fiscal Year Ends..... | 361 |
| Schedule 3 - Changes in Net Assets, Last Eight Fiscal Years..... | 362 - 365 |
| Schedule 4 - Changes in Fund Balances, Governmental Funds, Last Eight Fiscal Years..... | 367 |
| Schedule 5 - Personal Income by Industry, Last Ten Calendar Years..... | 368 - 369 |
| Schedule 6 - Taxable Sales by Industry, Last Ten Fiscal Years..... | 368 - 369 |
| Schedule 7 - Personal Income Tax Filers and Liability by Income Level, Calendar Years 2008 and 1999..... | 370 |
| Schedule 8 - Sales Tax Revenue Payers by Industry, Fiscal Years 2009 and 2000..... | 371 |
| Schedule 9 - Ratios of Outstanding Debt by Type, Last Ten Fiscal Years..... | 372 - 373 |
| Schedule 10 - Ratios of General Bonded Debt Outstanding and Debt Limitations, Last Ten Fiscal Years..... | 374 - 375 |
| Schedule 11 - Pledged Revenue Coverage, Last Ten Fiscal Years..... | 376 - 378 |
| Schedule 12 - Demographic and Economic Statistics, Last Ten Calendar Years..... | 380 - 381 |
| Schedule 13 - Employees by Function, Last Ten Fiscal Years..... | 382 - 383 |
| Schedule 14 - Operating Indicators by Function/Program, Last Ten Fiscal Years..... | 384 - 385 |
| Schedule 15 - Capital Asset and Infrastructure Statistics by Function/Program, Last Ten Fiscal Years..... | 386 - 387 |



June 30, 2010

To the Citizens of the State of Illinois,
Honorable Pat Quinn, Governor and
Honorable Members of the General Assembly:

I am pleased to present to you the *State of Illinois Comprehensive Annual Financial Report (CAFR)* for the year ended June 30, 2009. The CAFR is the State's official annual report which provides the readers with the financial position of the State as of June 30, 2009, and results of operations during the fiscal year. The report is intended to provide the State's taxpayers, managers, investors, creditors, lawmakers, and other users with information in accordance with generally accepted accounting principles (GAAP). Responsibility for the accuracy of the data as well as the completeness and fairness of presentation of this report rests with my Office and other State agency management.

The Management's Discussion and Analysis (MD&A), which begins on page 3 of this report, provides a narrative introduction, overview, and analysis to the accompanying basic financial statements. This letter is intended to complement the MD&A and should be read in conjunction with the MD&A. The accompanying basic financial statements are prepared in conformity with GAAP applicable to State governments as prescribed by the Governmental Accounting Standards Board (GASB). This office supports the GASB, contributed to its formation, and participates in the development of pronouncements by providing testimony at public hearings and submitting comments and recommendations as proposed standards are distributed for exposure.

The CAFR includes information on all funds, elected offices, departments, and agencies of the State, as well as all boards, commissions, authorities, and universities for which the State's executive, legislative, and judicial branches are financially accountable. The financial statements distinguish between primary government organizations and component units. The primary government is the nucleus of the financial reporting entity and is the focal point for the users of the financial statements. The primary government of the State consists of all the organizations that make up its legal entity. All funds, departments, agencies, offices, and other organizations that are not legally separate are, for financial reporting purposes, part of the primary government. Component units are legally separate organizations for which the State is financially accountable.

The financial activities of the State are organized on the basis of individual funds, each of which is a separate accounting entity segregated for the purpose of carrying out specific activities or attaining certain objectives in accordance with specific regulations, restrictions, and limitations. Major funds are the focus of the State's financial statements and include the General Fund (including the General Revenue Account, the Education Assistance Account, the Common School Account, and the Medicaid Provider Assessment Accounts), the Road Fund, the State Construction Account, the Unemployment Compensation Trust Fund, the Water Revolving Fund, the Prepaid Tuition Fund, and the Designated Account Purchase Program Fund. The reporting entity, major funds, and fund types are described in detail in Note 1 to the financial statements.

To ensure readability of the financial statements, generally only funds with total assets, liabilities, fund balances/net assets, revenues, or expenditures/expenses greater than 2% of the total for that fund type are presented separately in the individual fund financial statements, except component units where all component units are presented, and special revenue funds where funds with greater than .5% of the total are presented. Combination of funds is necessary due to the existence of more than 750 funds in the State's reporting entity. Funds used by more than one agency are classified with what is determined to be the primary administering agency.

Internal Controls

Each State agency's management is responsible for establishing and maintaining internal controls designed to ensure that the assets of the State are protected from loss, theft, or misuse, and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The State's internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

On October 31, 1989, the Fiscal Control and Internal Auditing Act (FCIAA) became law, requiring all State agency chief executive officers to annually certify the adequacy of internal controls in place within their agencies and that selected agencies employ a chief internal auditor with a specified minimum level of professional competency.

Independent Audit

The Illinois Auditor General has performed an audit of the accompanying basic financial statements in accordance with generally accepted auditing standards in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States. His unqualified opinion appears at the beginning of the financial section of this report. In addition, the Illinois Auditor General conducts an annual audit pursuant to the requirements set forth in the Federal Single Audit Act Amendments of 1996 and the related U.S. Office of Management Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. This report is issued separately.

PROFILE OF THE STATE

Illinois, located in the Midwest, became the twenty-first state in 1818. The State has 56,400 square miles and is the 24th largest state in size. However, per the 2000 census, Illinois is the 5th largest state in population with approximately 12.4 million residents.

Illinois' government is divided into three branches: executive, legislative, and judicial. An organizational chart, showing the relationships between the Citizens of the State of Illinois, the three branches of Illinois State government, and those of the various agencies, boards, commissions, and universities which provide a full range of State government services, is presented on page XIII.

The State provides a full range of services including: the construction and maintenance of highways and infrastructure, education, social and health services, public safety, conservation of natural resources, economic development, and recreation facilities and development. The State of

Illinois is also financially accountable for 3 separate entities which have been included as a part of the State's financial statements. In addition, the State of Illinois is financially accountable for 26 legally separate entities which have been reported separately within the State's financial statements. Additional information on all of these legally separate entities can be found in the notes to the financial statements.

The Comptroller's Statewide Accounting Management System (**SAMS**) provides the basis for receipt, expenditure, and encumbrance reporting of all State treasury held funds with specific budgetary controls maintained on line-item expenditures for all appropriated funds. Appropriations (budget) and actual expenditure analysis for significant individual funds is provided in the Budgetary Schedules section of this report.

The State of Illinois has a two-month "lapse period." During this time, July 1 to August 31, State agencies can expend funds appropriated in the prior fiscal year if encumbered by June 30. For all fund types, goods or services received prior to June 30 are recorded as liabilities and expenditures or expenses, whichever is appropriate. For governmental fund types, lapse period expenditures for goods encumbered as of June 30 and received prior to August 31 are reported with other encumbrances as reservations of June 30 fund balances and not as liabilities or expenditures.

Many State programs are accounted for in the General Fund. As analyzed in the MD&A, the GAAP basis financial position of the General Fund at June 30, 2009, decreased from June 30, 2008. The fund balance in the State's General Fund decreased by \$3.647 billion on a GAAP basis (from a deficit of \$4.035 billion, as restated, to a deficit of \$7.682 billion). On the *budgetary basis*, there was a \$3.673 billion fund deficit at June 30, 2009, compared to a \$834 million fund deficit at June 30, 2008, resulting in a \$2.839 billion increase in the budgetary deficit.

FACTORS AFFECTING FINANCIAL CONDITION

Economy

Illinois has a broadly diversified economy with an employment base that closely mirrors the national economy. The State continues to have a vigorous service sector with strength in professional and business services, education and healthcare services, and leisure and hospitality services. While retaining a sizeable manufacturing sector, its relative significance has decreased over the last decade, consistent with national trends. The largest private employers in Illinois include major retailers, large healthcare providers, equipment manufacturers, and nationwide financial service providers.

According to the U.S. Bureau of Labor Statistics, Illinois averaged 5.829 million nonfarm payroll jobs and an unemployment rate of 8.1% in fiscal year 2009.

MAJOR INITIATIVES

The following initiatives were among those instituted in Illinois state government in recent years to address issues affecting the State's revenues, cash management, and expenditures.

American Recovery and Reinvestment Act

On February 17, 2009, the American Recovery and Reinvestment Act (“ARRA”) was signed into law by President Obama. ARRA’s objective was to create and preserve jobs, to promote economic activity and invest in long-term growth, and to foster unprecedented levels of accountability and transparency in government spending by providing tax cuts and benefits for working families and businesses; increasing federal funding for education, health care, and entitlement programs; providing funding for federal contracts, grants, and loans; and requiring recipients of ARRA funding to report quarterly on the use of funds received. The State received \$2.036 billion of ARRA monies in fiscal year 2009 into funds in the State Treasury. \$1.566 billion of the ARRA funding was received by the General Revenue Account, a subaccount of the General Fund. In addition, \$447.286 million was received by the Unemployment Compensation Trust Fund, a fund held outside of the State Treasury. ARRA is expected to continue to be a significant source of receipts by the State into the first half of fiscal year 2011.

Short-term Borrowing

In fiscal year 2009, the State took several actions to help alleviate the ongoing financial problems. \$275.704 million was transferred from the Budget Stabilization Fund to the General Revenue Fund which was repaid by the end of the fiscal year. Also, in December 2008 (\$1.4 billion) and May 2009 (\$1 billion), the State issued short-term notes and deposited the proceeds into the General Revenue Fund in order to attempt to alleviate cash flow deficits. The December 2008 issue was repaid prior to June 30, 2009, while the May 2009 issue was repaid in fiscal year 2010.

Capital Program

Illinois Jobs Now!, the State’s first capital bill in over 10 years, is a \$31 billion multi-year program that emphasizes job creation and retention, economic stimulus, and accessing federal American Recovery and Reinvestment Act dollars while making investments in the State’s schools, roads, bridges, airports, and transit system. Funding for Illinois Jobs Now! is comprised of monies from Federal, State, and local sources with the State’s share of approximately \$13.5 billion to be funded through the issuance of general obligation bonds and Build Illinois Bonds (special obligation bonds) over the length of the program. Increases in motor vehicle title fees, license plate fees, and wine and spirit taxes; new sales taxes on candy, sweet tea, coffee, and grooming and hygiene products; a new licensing and taxation program for video gaming terminals; and existing revenues in the Road Fund are anticipated to support the debt service.

Spending Initiatives

In an effort to address perceived duplicate functions within state agencies, effective June 1, 2006, divisions of shared services were created to perform administrative functions, including human resources, personnel, payroll, timekeeping, procurement, and accounting for agencies providing similar governmental functions. A division of shared services was created within the Department of Revenue to provide administrative functions for executive and regulatory agencies including the Departments of Central Management Services and Financial and Professional Regulation. A division of shared services was also created within the Department of Corrections to provide administrative functions for public safety agencies including the Departments of State Police, Juvenile Justice, Military Affairs, the Prisoner Review Board, the Law Enforcement Training and Standards Board, the Criminal Justice Information Authority, the Emergency Management Agency, and the State Fire Marshal.

Pensions

Certain changes in the pension systems occurred in fiscal year 2006 with reduced benefits for certain new employees and a shift in the payment of the employers' share of the cost of certain late career benefits from the State to the employees' local government. Required State contributions to the pension systems were reduced to \$938 million in fiscal year 2006 and to \$1.375 billion in fiscal year 2007. However, this reduction in required contributions is required to be added to the contributions required for fiscal years 2008 through 2010. In addition, every new benefit increase is required to provide additional funding at least sufficient to cover the resulting annual increase in costs to the pension system and all benefit increases are to expire no more than 5 years after the effective date of the increase.

LONG-TERM FINANCIAL PLANNING AND RELEVANT FINANCIAL POLICIES

The fiscal year 2009 CAFR reveals continuing underlying financial weaknesses which significantly impact the State's overall fiscal health in regards to deferred liabilities, ongoing operational concerns related to cash management and long-term concerns related to pension and other postemployment obligations.

Deferred Liabilities

Section 25 of the State Finance Act permits the payment of selected prior year expenses, primarily Medicaid, in the current fiscal year. The section was originally created to address billing and adjudication issues connected with such expenditures. Over the past two decades, however, it has become a common practice to defer liabilities utilizing Section 25 effectively reducing the appropriation levels needed to fund certain programs within any given fiscal year and pushing expenditures into the next fiscal year. The State ended fiscal year 2009 with \$2.016 billion in such costs.

Cash Management

Cash flow continues to be an issue as Illinois has had a running General Revenue Fund deficit defined as bills on hand exceeding available cash, with few exceptions, since November of 2000. Fiscal year 2009 marked the seventh consecutive year that Illinois has had to engage in short-term borrowing to address various cash flow needs.

Cash management practices are greatly affected by the aforementioned budgetary practices in relation to deferred liabilities which place additional pressure in the first and second quarters of the year to pay those expenses. Additionally, the majority of the State's tax collections are received in the second half of the fiscal year with large income tax collections arriving in the spring of each year which further contributes to the payment delays seen within the fiscal year.

In 2000, legislation was enacted to create the State's Budget Stabilization Fund in order to assist the State in meeting cash flow deficits as needed. The statutory goal for funding this reserve was set at five percent of General Funds revenues in any given year. As of June 30, 2009, the balance in the Budget Stabilization Fund was \$275.704 million, an amount insufficient in practical terms to address the State's annual cash management needs and timing variations between spending and revenues, both recent and historical, and significantly less than envisioned when the Act was created.

Pension Obligations

Legislation enacted in 1995 set a long-term funded ratio (assets to actuarial accrued liabilities) target for the State's five retirement systems at 90% and established a plan for contributions in order for the State to reach this target by fiscal year 2045. After fiscal year 2045, the State shall maintain annual contributions sufficient to keep the systems at a 90% funded ratio. In fiscal year 2004, the systems enjoyed an additional \$7.3 billion in contributions from a \$10.0 billion general obligation pension bond sale.

As of June 30, 2009, the five State-funded retirement systems were at a 50.6% funded ratio using a five year "smoothing" valuation of assets with \$62.439 billion in unfunded liability. Using the fair market value of assets instead of a five year "smoothing" of assets, however, results in a 38.4% funded ratio and \$77.893 billion in unfunded liability.

For fiscal year 2006 through fiscal year 2007, the relevant State statutes were amended to allow for significantly lower State contribution levels to the retirement systems with levels increasing in fiscal years 2008, 2009, and 2010 before returning to the mandated levels of the 1995 law for fiscal year 2011.

Other Postemployment Obligations

For fiscal year 2009, the State performed an actuarial valuation of the health, dental, vision, and life insurance benefits promised to retirees. The valuation reported a \$27.124 billion actuarial liability with no assets currently set aside to fund the liability as the State uses a "pay-as-you go" method to make payments to retirees.

Debt Management

Public Act 93-0839 known as the Debt Responsibility Act, effective July 30, 2004, placed new restrictions on the issuance of general obligation bonds. At least 25% of general obligation bonds issued within a year must be sold pursuant to notice of sale and public bid. General obligation bonds must be issued with equal principal or mandatory redemption amounts in each fiscal year following the year of issuance for a term not to exceed 25 years. General obligation bonds may not be issued if, in the next fiscal year after issuance, the amount of debt service on all then outstanding general obligation bonds exceeds 7% of the General and Road Fund appropriations for the fiscal year immediately preceding the issuance unless the Comptroller and Treasurer waive this requirement. No general obligation refunding bonds can be issued unless the refunding produces a net present value savings of at least 3% of the bonds being refunded and the maturities of the refunding bonds do not extend beyond the maturities of the bonds being refunded.

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting ("Certificate") to the State of Illinois for its comprehensive annual financial report ("CAFR") for the fiscal year ended June 30, 2008, which was the twenty-fifth consecutive year that the State has received this prestigious award in governmental financial reporting. In order to be awarded a Certificate, the State of Illinois published an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate is valid for a period of one year only. As this current comprehensive annual financial report is expected to meet the Certificate of Achievement Program's requirements, it is being submitted to the GFOA to determine its eligibility for another certificate.

ACKNOWLEDGMENTS

The preparation of the State's Comprehensive Annual Financial Report was made possible by the due diligence of my staff, the Auditor General's Office, and all State agencies who submitted timely information during this year's GAAP financial statement process. Their hard work and dedication has resulted in an excellent financial report of which we can be proud. I express my gratitude to all of those involved for this tremendous cooperative effort.

Sincerely,

Daniel W. Hynes
Comptroller

Certificate of Achievement for Excellence in Financial Reporting

Presented to

State of Illinois

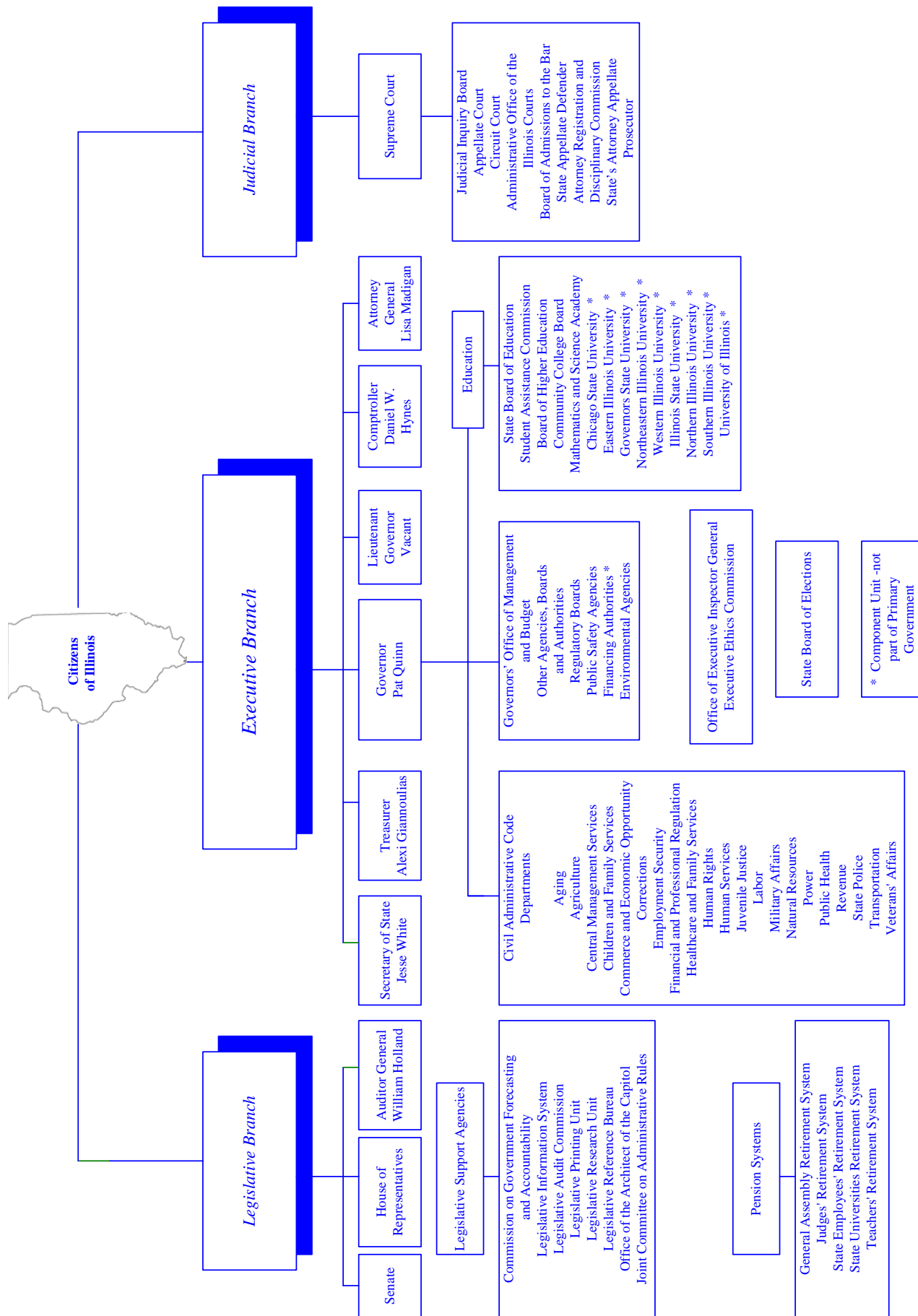
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director



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Financial Section

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OFFICE OF THE AUDITOR GENERAL
WILLIAM G. HOLLAND

Independent Auditors' Report

Honorable Michael J. Madigan, Speaker of the House
Honorable John J. Cullerton, President of the Senate
Members of the General Assembly
Honorable Patrick Quinn, Governor
Honorable Daniel W. Hynes, Comptroller

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Illinois, as of and for the year ended June 30, 2009, which collectively comprise the State of Illinois' basic financial statements as listed in the table of contents. These financial statements are the responsibility of the State of Illinois' management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of certain university related organizations, which represent 8%, 17%, and 4%, respectively, of the total assets, total net assets, and total expenses of the aggregate discretely presented component unit amounts. Those financial statements were audited by other auditors whose reports thereon have been provided to us, and our opinion, insofar as it relates to the amounts included for these university related organizations, is based solely on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit, and the reports of the other auditors, provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Illinois, as of June 30, 2009, and the respective changes in financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 2, the financial statements have been restated as of July 1, 2008 for prior year reporting errors.

The deficit for net assets of governmental activities in fiscal year 2009 continued to increase by \$5,397,943,000 from \$24,546,623,000 at June 30, 2008 to \$29,944,566,000 at June 30, 2009. This deficit, which is presented on an accrual basis, is the excess of total liabilities over total assets and represents a deferral of current and prior year costs to future periods.

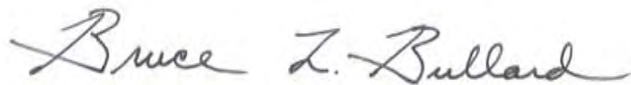
In accordance with *Government Auditing Standards*, we have also issued a report dated June 30, 2010 on our consideration of the State of Illinois' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and required supplementary information, listed in the accompanying table of contents, are not required parts of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the State of Illinois' basic financial statements. The introductory section, combining and individual fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion, based on our audit and the reports of the other auditors, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion on them.



WILLIAM G. HOLLAND
Auditor General
State of Illinois



BRUCE L. BULLARD, CPA
Director of Financial and Compliance Audits
Office of the Auditor General

Springfield, Illinois
June 30, 2010

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following is a discussion and analysis of the State of Illinois' (the State's) financial performance providing an overview of the activities for the fiscal year ended June 30, 2009. Please read it in conjunction with the transmittal letter and with the State's financial statements which follow this section.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is an introduction to the State's basic financial statements which comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. In addition, this discussion and analysis also contains information on other supplementary information included in this report.

Government-wide Statements (Reporting the State as a Whole)

The Statement of Net Assets and the Statement of Activities are two financial statements that report information about the State, as a whole, and about its activities. These statements include all non-fiduciary assets, liabilities, revenues, and expenses using the accrual basis of accounting.

The Statement of Net Assets (page 19) presents all of the State's non-fiduciary assets and liabilities with the difference between the two reported as "net assets". Over time, increases and decreases in net assets measure whether the State's financial position is improving or deteriorating.

The Statement of Activities (pages 20 and 21) presents all of the State's non-fiduciary revenues and expenses with the difference showing how the State's net assets changed during the current fiscal year. All changes in net assets are reported as soon as the underlying events giving rise to the change occur regardless of the timing of related cash flows. Therefore, revenues and expenses are reported in these statements for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and unused accrued absences).

Both statements report three activities:

- *Governmental Activities* – Most of the State's basic services are reported under this category. Taxes and intergovernmental revenues generally fund these services. The Legislature, the Judiciary, Elected Officials, and the general operations of the Executive departments fall within the governmental activities.
- *Business-type Activities* – The State charges fees to customers to help it cover all or most of the cost of certain services provided by the State. Lottery tickets and the State's unemployment compensation services are examples of business-type activities.
- *Discretely Presented Component Units* – Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The State has 10 authorities, 9 universities, and 7 other organizations that are reported as discretely presented component units of the State.

Included within the basic financial statements are two schedules (pages 23 and 25) that reconcile the amounts reported on the governmental fund financial statements (modified accrual accounting) with governmental activities on the appropriate government-wide statements (accrual accounting). Modified accrual accounting focuses on the current financial resources, which are the resources available for spending in the near future (defined by the State as 60 days). Accrual

accounting reports the total economic resources similar to a private-sector business. The following summarizes some of the differences in modified accrual and accrual accounting:

- Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds statements.
- Prepaid expenses for governmental activities are current uses of financial resources of funds and therefore are not reported in the governmental funds statements.
- Deferred issuance costs are capitalized and amortized as governmental activities, but reported as expenditures in the governmental funds statements.
- Certain revenues that are earned, but not available, are reported as revenues of governmental activities, but are reported as unavailable revenue on the governmental funds statements.
- Unless due and payable, long-term liabilities, such as capital lease obligations, installment purchases agreements, compensated absences, certificates of participation, net pension obligations, net other postemployment benefit obligations, and bonds and notes payable appear as liabilities in the government-wide statements but are not reported in the governmental funds statements.
- Internal service funds are reported as governmental activities, but reported as proprietary funds in the fund financial statements.
- Capital outlay spending results in recording capital assets on the government-wide statements, but is reported as expenditures on the governmental fund statements.
- Bond and note proceeds result in liabilities on the government-wide statements, but are recorded as other financing sources on the governmental fund statements.
- Certain other outflows represent either increases or decreases in liabilities on the government-wide statements, but are reported as expenditures on the governmental funds statements.

The Notes to the Basic Financial Statements provide additional information that is integral to understanding the data provided in the government-wide and fund financial statements. The notes can be found beginning on page 37 of this report.

Fund Financial Statements (Reporting the State's Major Funds)

The fund financial statements begin on page 22 and provide more detail than the government-wide financial statements, concentrating on information about the major individual funds. A fund is a fiscal and accounting entity with a self-balancing set of accounts that the State uses to keep track of specific sources of funding and spending for a particular purpose. In addition to the major funds, individual fund data for the nonmajor funds is presented beginning on page 145. The State's funds are divided into three categories – governmental, proprietary, and fiduciary – with each using a different accounting method.

Governmental funds – Most of the State's basic services are reported in the governmental funds which focus on how monies flow into and out of those funds and the balances left at year-end that are available for future spending. The governmental fund financial statements provide a detailed short-term view of the State's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the State's programs. Governmental funds are reported using modified accrual accounting which measures cash and all other financial assets that can readily be converted to cash and liabilities that are due in the current period. Governmental funds include the General Fund and special revenue, capital project, debt service, and permanent funds.

Proprietary funds – When the State charges customers for the services it provides, whether to outside customers or to other agencies within the State, these services are generally reported in proprietary funds. Proprietary funds (enterprise and internal service) utilize accrual accounting; the same method used by private sector businesses. Enterprise funds report activities that provide supplies and services to the general public. An example is the State Lottery Fund. Internal service funds report activities that provide supplies and services for the State's other programs and activities such as the State's Communications Revolving Fund. The State's internal service funds are reported as governmental activities on the government-wide statements.

Fiduciary funds – The State acts as a trustee or fiduciary for its employee pension plans. The State is also responsible for other assets that, because of a trust arrangement or other contractual arrangement, can be used only for the trust beneficiaries. The State's fiduciary activities are reported in separate Statements of Fiduciary Net Assets and Changes in Fiduciary Net Assets beginning on page 30. These funds, which include pension (and other employee benefit) trust, private-purpose trust, investment trust, and agency funds, are reported using accrual accounting. The government-wide statements exclude fiduciary fund activities and balances because these assets are restricted in purpose and do not represent discretionary assets of the State to finance its operations.

Additional Required Supplementary Information

Following the basic financial statements is additional Required Supplementary Information that further explains and supports the information in the financial statements. The Required Supplementary Information includes budgetary comparison schedules reconciling the statutory and generally accepted accounting principles (GAAP) net change in fund balances at fiscal year-end and funding progress of the State's retirement systems and other postemployment benefit plans.

Other Supplementary Information

Other supplementary information includes two components: 1) combining financial schedules for nonmajor governmental, proprietary, and fiduciary funds and nonmajor discretely presented component units and 2) combining budgetary schedules using the terminology and classification of funds used by the State for budgetary purposes. The combining financial statements present by fund category, and then by fund type, the amounts presented in the nonmajor funds column in the fund financial statements.

FINANCIAL ANALYSIS OF THE STATE

The State's combined net assets decreased \$7.360 billion or 36.8% during the current fiscal year. The net assets of the State's governmental activities decreased \$5.398 billion or 22.0% and the net assets of the State's business-type activities decreased \$1.962 billion or 43.3%. The following condensed financial information was derived from the government-wide Statement of Net Assets and reflects the State's financial position as of June 30, 2009 and 2008:

| Net Assets as of June 30 (in millions of dollars) | | | | | | |
|--|----------------------------|-------------|-----------------------------|----------|-----------------------------|-------------|
| | Governmental Activities | | Business-type Activities | | Total Primary Government | |
| | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 |
| Assets: | | | | | | |
| Current and other non-current assets | \$ 11,901 | \$ 10,821 | \$ 5,855 | \$ 7,458 | \$ 17,756 | \$ 18,279 |
| Capital assets | 18,707 | 18,453 | 4 | 3 | 18,711 | 18,456 |
| Total assets | 30,608 | 29,274 | 5,859 | 7,461 | 36,467 | 36,735 |
| Liabilities: | | | | | | |
| Other liabilities | 14,180 | 9,806 | 1,017 | 923 | 15,197 | 10,729 |
| Long-term liabilities | 46,373 | 44,015 | 2,268 | 2,002 | 48,641 | 46,017 |
| Total liabilities | 60,553 | 53,821 | 3,285 | 2,925 | 63,838 | 56,746 |
| Net assets: | | | | | | |
| Invested in capital assets, net of related debt | 14,174 | 13,689 | 4 | 3 | 14,178 | 13,692 |
| Restricted | 998 | 978 | 2,732 | 4,534 | 3,730 | 5,512 |
| Unrestricted | (45,117) | (39,214) | (162) | (1) | (45,279) | (39,215) |
| Total net assets | \$ (29,945) | \$ (24,547) | \$ 2,574 | \$ 4,536 | \$ (27,371) | \$ (20,011) |
| Note: Prior year amounts have been restated for activities as described in Note 2 to the financial statements. | | | | | | |

The State's largest asset is its capital assets (\$18.711 billion) consisting of land, buildings, equipment, infrastructure, and other items with estimated useful lives of greater than one year. The largest portion of the State's long-term liabilities are its net pension obligation (\$20.975 billion) and bonds payable obligation (\$22.901 billion), including deferred amounts on refundings and unamortized premiums and discounts. The largest component of the State's net assets reflects the State's investment in capital assets, less any related debt that was recorded to acquire or construct the assets. The restricted net assets balance consists of resources subject to external restrictions or enabling legislation as to their use. The remaining portion, unrestricted net assets, are the net assets available to be used at the State's discretion or need to be replenished by revenues in future periods.

The State's assets decreased \$268 million from \$36.735 billion at June 30, 2008, to \$36.467 billion at June 30, 2009, due mainly to \$1.723 billion less in deposits held by the federal government from the Unemployment Compensation Trust Fund, offset by an increase in securities lending collateral balances of \$822 million. The State's increase in liabilities of \$7.092 billion from \$56.746 billion at June 30, 2008, to \$63.838 billion at June 30, 2009, resulted mainly from the increases in the State's net pension obligation of \$1.779 billion and net other postemployment benefit obligation of \$1.236 billion, as well as an increase of \$2.676 billion in accounts payable and accrued liabilities due to cash flow problems in the State's General Fund.

The following condensed financial information was derived from the government-wide Statement of Activities and reflects the State's decrease in net assets during the current fiscal year:

Changes in Net Assets
for Fiscal Year Ending June 30
(in millions of dollars)

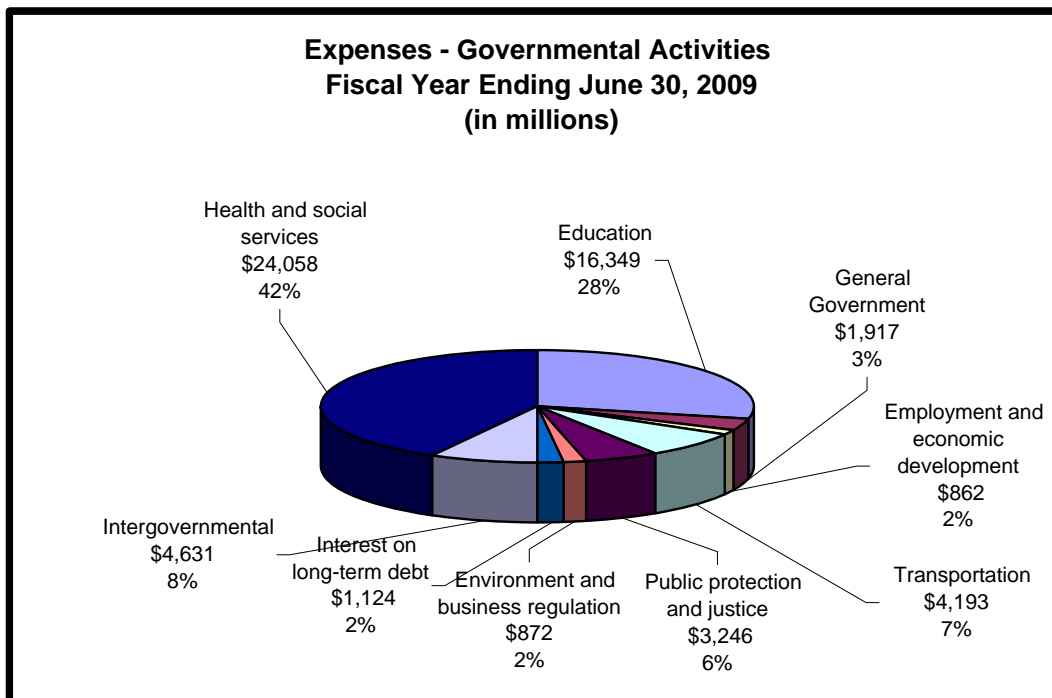
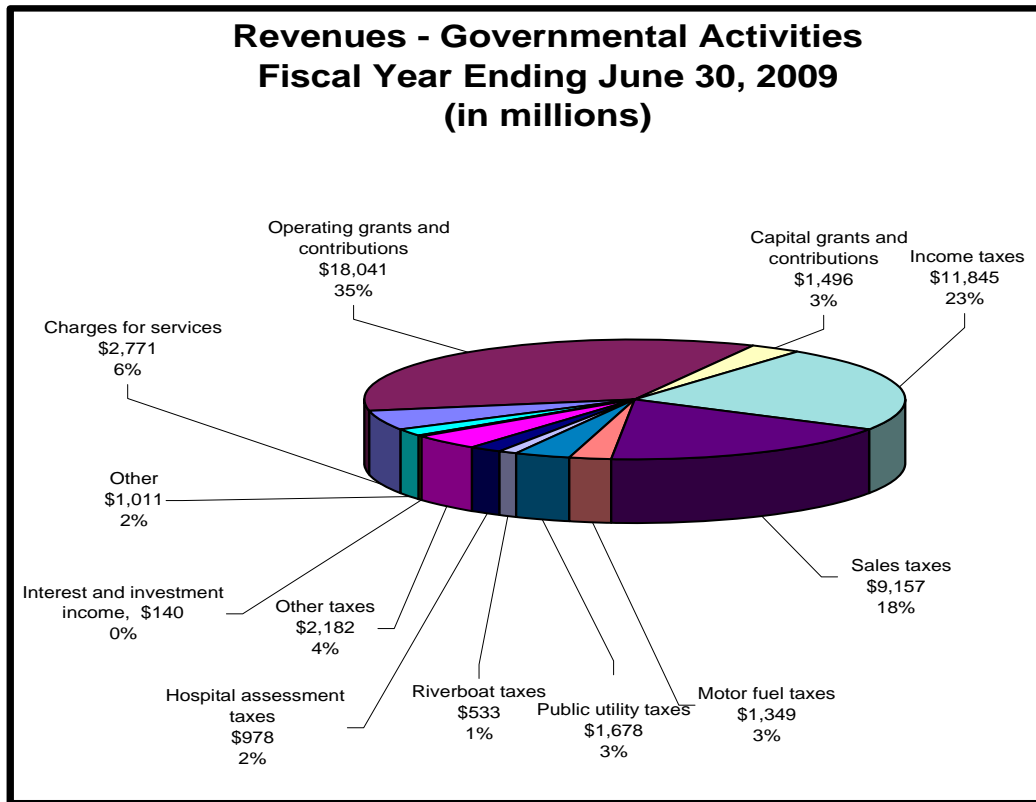
| | Governmental Activities | | Business-type Activities | | Total Primary Government | | Total Percentage Change |
|---|------------------------------------|--------------------|-------------------------------------|-----------------|-------------------------------------|--------------------|--|
| | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 | 2008 to 2009 |
| Revenues | | | | | | | |
| Program revenues | | | | | | | |
| Charges for services | \$ 2,771 | \$ 2,801 | \$ 3,776 | \$ 4,266 | \$ 6,547 | \$ 7,067 | (7.4%) |
| Operating grants and contributions | 18,041 | 14,288 | 1,867 | 247 | 19,908 | 14,535 | 37.0% |
| Capital grants and contributions | 1,496 | 1,274 | - | - | 1,496 | 1,274 | 17.4% |
| General revenues | | | | | | | |
| Income taxes | 11,845 | 13,414 | - | - | 11,845 | 13,414 | (11.7%) |
| Sales taxes | 9,157 | 10,147 | - | - | 9,157 | 10,147 | (9.8%) |
| Motor fuel taxes | 1,349 | 1,406 | - | - | 1,349 | 1,406 | (4.1%) |
| Public utility taxes | 1,678 | 1,692 | - | - | 1,678 | 1,692 | (0.8%) |
| Riverboat taxes | 533 | 697 | - | - | 533 | 697 | (23.5%) |
| Hospital assessment taxes | 978 | 804 | - | - | 978 | 804 | 21.6% |
| Other taxes | 2,182 | 2,135 | - | - | 2,182 | 2,135 | 2.2% |
| Interest and investment earnings | 140 | 325 | 76 | 115 | 216 | 440 | (50.9%) |
| Other revenue | 1,011 | 1,013 | - | - | 1,011 | 1,013 | (0.2%) |
| Total revenues | 51,181 | 49,996 | 5,719 | 4,628 | 56,900 | 54,624 | 4.2% |
| Expenses | | | | | | | |
| Health and social services | 24,058 | 21,688 | - | - | 24,058 | 21,688 | 10.9% |
| Education | 16,349 | 15,243 | - | - | 16,349 | 15,243 | 7.3% |
| General government | 1,917 | 1,935 | - | - | 1,917 | 1,935 | (0.9%) |
| Employment and economic development | 862 | 875 | - | - | 862 | 875 | (1.5%) |
| Transportation | 4,193 | 4,198 | - | - | 4,193 | 4,198 | (0.1%) |
| Public protection and justice | 3,246 | 3,224 | - | - | 3,246 | 3,224 | 0.7% |
| Environment and business regulation | 872 | 926 | - | - | 872 | 926 | (5.8%) |
| Unemployment compensation fund | - | - | 5,086 | 1,991 | 5,086 | 1,991 | 155.4% |
| Water revolving fund | - | - | 18 | 18 | 18 | 18 | 0.0% |
| Prepaid tuition programs | - | - | 75 | 73 | 75 | 73 | 2.7% |
| Designated account purchase program fund | - | - | 63 | 101 | 63 | 101 | (37.6%) |
| Lottery | - | - | 1,444 | 1,412 | 1,444 | 1,412 | 2.3% |
| Federal student loans | - | - | 200 | 193 | 200 | 193 | 3.6% |
| Other business-type activities | - | - | 122 | 148 | 122 | 148 | (17.6%) |
| Intergovernmental | 4,631 | 5,140 | - | - | 4,631 | 5,140 | (9.9%) |
| Interest | 1,124 | 1,137 | - | - | 1,124 | 1,137 | (1.1%) |
| Total expenses | 57,252 | 54,366 | 7,008 | 3,936 | 64,260 | 58,302 | 10.2% |
| Excess (deficiency) before special items and transfers | (6,071) | (4,370) | (1,289) | 692 | (7,360) | (3,678) | (100.1%) |
| Special items | - | - | - | (11) | - | (11) | (100.0%) |
| Transfers | 673 | 668 | (673) | (668) | - | - | 0.0% |
| Increase (decrease) in net assets | (5,398) | (3,702) | (1,962) | 13 | (7,360) | (3,689) | (99.5%) |
| Net assets - beginning, as restated | (24,547) | (20,845) | 4,536 | 4,523 | (20,011) | (16,322) | (22.6%) |
| Net assets - ending | <u>\$ (29,945)</u> | <u>\$ (24,547)</u> | <u>\$ 2,574</u> | <u>\$ 4,536</u> | <u>\$ (27,371)</u> | <u>\$ (20,011)</u> | <u>(36.8%)</u> |

Governmental Activities:

Governmental activities of the State are financed primarily through taxes collected. The functions reported for governmental activities consist of the following:

- *Health and social services* – The health and social services function consists of programs such as Medicaid, Temporary Assistance for Needy Families (TANF), and Child Support Enforcement which are administered mostly by the Department of Healthcare and Family Services, the Department of Human Services, and the Department of Children and Family Services.
- *Education* – The education function consists of support for local public school districts and post-secondary institutions administered mostly by the State Board of Education, the State Board of Higher Education, and the Illinois Community College Board.
- *General government* – The general government consists of the day-to-day operations of the State performed mostly by the Elected Officials, Members of the General Assembly, the Department of Central Management Services, and the Department of Revenue.
- *Employment and economic development* – The employment and economic development function consists of job training for citizens and support for the growth of public sector commerce administered mostly by the Department of Commerce and Economic Opportunity and the Department of Employment Security.
- *Transportation* – The transportation function consists of support for building and maintaining infrastructure capital assets owned by the State and owned by local governments of the State which is administered mostly by the Department of Transportation.
- *Public protection and justice* – The public protection and justice function consists of law enforcement functions of the State and other public safety regulatory programs performed mostly by the Department of Corrections and the Department of State Police.
- *Environment and business regulation* – The environment and business regulation function consists of regulation of the environment of the State and regulation of various business types in the State performed mostly by the Environmental Protection Agency, the Department of Commerce and Economic Opportunity, the Department of Natural Resources, the Department of Financial and Professional Regulation, and the Department of Labor.

The following charts display revenues and expenses of the State for governmental activities during the fiscal year:



The State's governmental activities revenues increased \$1.185 billion (2.4%) during fiscal year 2009 with the largest revenue increase consisting of \$3.753 billion in operating grants and contributions. This increase was offset by significant decreases in income taxes and sales taxes of \$1.569 billion and \$990 million, respectively.

The State's governmental activities expenses increased \$2.886 billion (5.3%) during fiscal year 2009. The State's two largest expenses, health and social services expenses and education expenses, increased \$2.370 billion and \$1.106 billion, respectively. Health and social services expenses increased due to costs associated with the State's Medicaid program while education expenses increased due to increased aid provided to the State's elementary, secondary, and postsecondary schools. Intergovernmental expenses, however, decreased \$509 million due mainly to lower collections of shared tax revenues.

Business-type Activities:

Net assets of business-type activities decreased \$1.962 billion during the fiscal year 2009. This decrease was attributed mainly to a \$1.791 billion decrease in net assets of the Unemployment Compensation Trust Fund, which had a decrease in unemployment tax revenue of \$370 million, an increase in unemployment benefit expenses of \$3.095 billion, and an increase in federal revenue of \$1.618 for reimbursement of extended unemployment benefits provided.

FINANCIAL ANALYSIS OF THE STATE'S MAJOR GOVERNMENTAL FUNDS

General Fund

The General Fund accounts for resources obtained and used for those services traditionally provided by the State which are not required to be accounted for in another fund. Accordingly, the majority of the State's tax revenues and program support expenses are accounted for in the General Fund. For financial reporting purposes, the General Fund consists of several accounts of the State which are described on page 145. For budgetary purposes the General Funds consist of the General Revenue, Common School-Special, Education Assistance, and Common School Accounts.

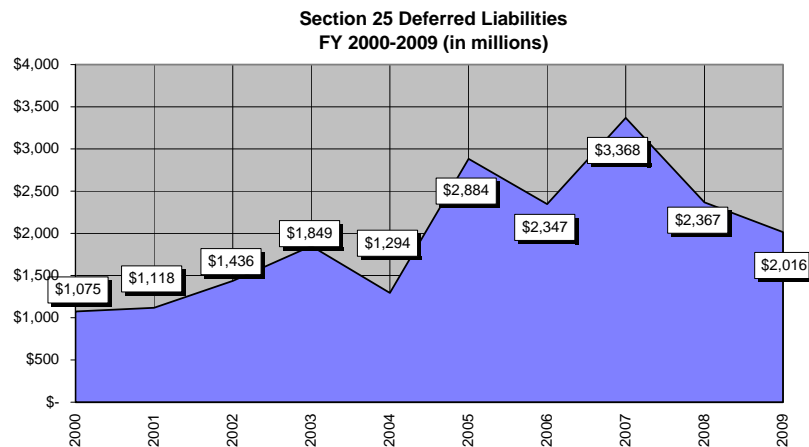
The State's General Funds' budgetary fund balance ended fiscal year 2009 with a deficit for the eighth consecutive year. At June 30, 2009, the General Funds' budgetary fund balance was a deficit of \$3.673 billion compared to a \$834 million deficit recorded at June 30, 2008. The original budget projected a \$4.183 billion deficit at the end of the fiscal year. The final budget projected a \$3.717 billion deficit. Most of the difference between the General Funds' original budget and the final budget is a result of \$2.400 billion in short-term borrowings which were not originally budgeted and increased Medicaid expenditures to be paid in fiscal year 2009 instead of future fiscal years.

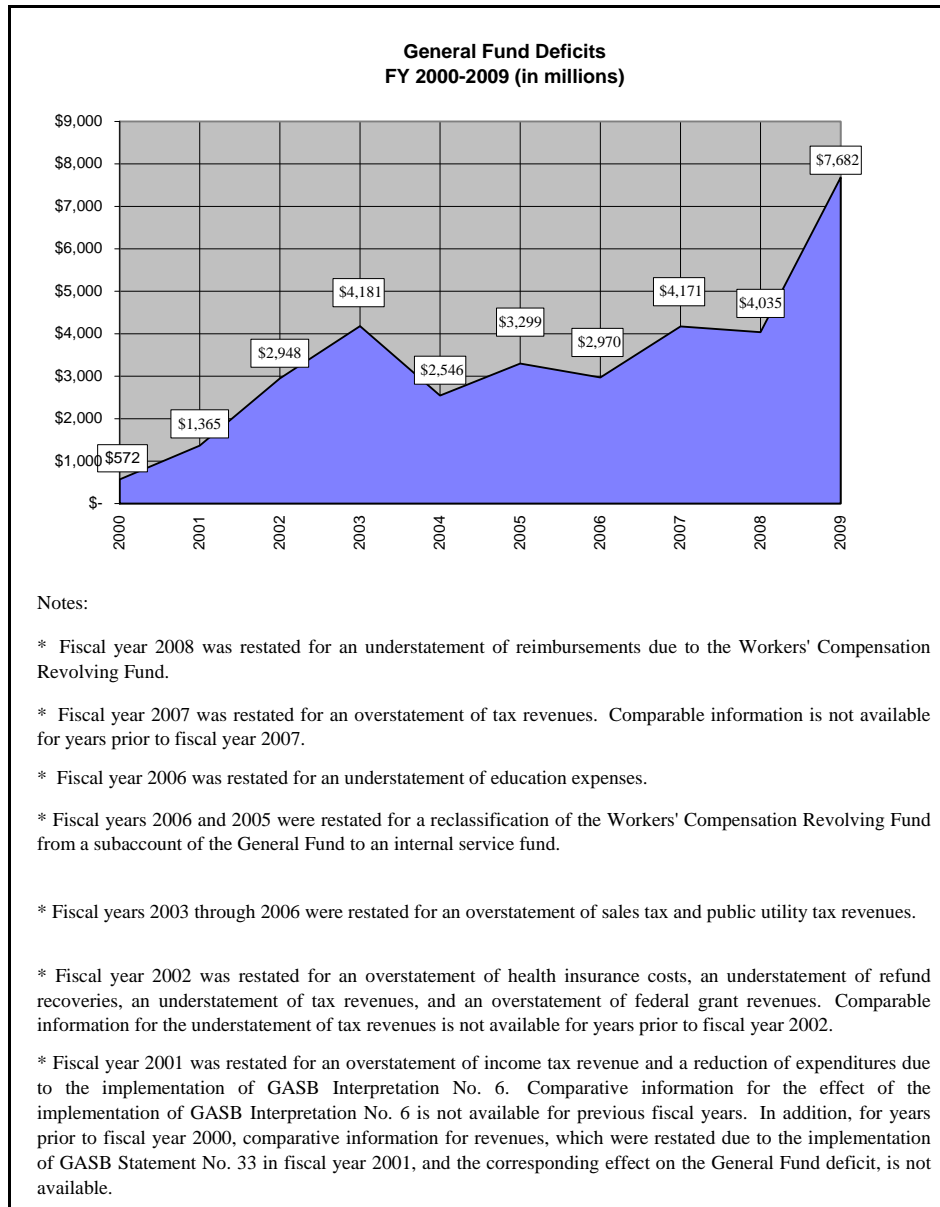
The majority of the \$44 million increase in the General Funds' budgetary balance between the final budget and the actual results was due to \$423 million less in actual revenues than budgeted revenues and \$467 million less in actual expenditures than budgeted expenditures. Actual income tax revenue and sales tax revenue were \$1.249 billion and \$524 million, respectively, less than budgeted due to the national recession. Federal government revenues were \$1.467 billion more than budgeted due to the American Recovery and Reinvestment Act (ARRA). Health and social services expenditures and education expenditures were \$198 and \$121 million, respectively, less than final budgeted amounts.

The General Fund's assets at June 30, 2009, were \$5.146 billion, which is an increase of \$1.265 billion from the June 30, 2008, balance of \$3.881 billion. Cash increased \$258 million, securities lending collateral of the State Treasurer increased \$592 million, taxes receivable increased \$218 million, and intergovernmental receivables increased \$290 million from June 30, 2008. The increase in cash was mainly a cause of an increase in earmarked funds for education which were not spent due to the State using funds received from the ARRA to fund certain educational expenditures. The increase in securities lending collateral was due to the recording of securities lending activity in the State's internal investment pool. The increase in taxes receivable was partially due to payment lags due to the impact of the national recession. The increase in intergovernmental receivables was due to the increased budgeted expenditures to be spent on Medicaid programs occurring near the end of the fiscal year.

The General Fund's liabilities at June 30, 2009, were \$12.828 billion, which is an increase of \$4.912 billion from the June 30, 2008, balance of \$7.916 billion. The factors that determine a significant portion of the General Fund liabilities are the accrued liabilities payable from future year's appropriations. Accounts payable and accrued liabilities increased \$2.281 billion from June 30, 2008 mostly due to cash flow problems causing the State to hold over \$2.784 billion in payments in the General Fund at June 30, 2009 compared to \$207 million at June 30, 2008. One of the largest components of those liabilities is Section 25 of the State Finance Act (Section 25) deferrals which consist mostly of Medicaid program liabilities. These statutory deferrals allow expenses incurred during one fiscal year to be paid for from the subsequent fiscal year's budget in limited situations. Section 25 deferrals decreased \$351 million from \$2.367 billion at June 30, 2008 to \$2.016 billion at June 30, 2009. The increase in liabilities also was a result of the State owing \$1.022 billion on general obligations certificates payables at June 30, 2009 in order to attempt to decrease the backlog of payments from the General Fund.

During fiscal year 2009, the General Fund's fund balance decreased from a deficit of \$4.035 billion to a deficit of \$7.682 billion, a \$3.647 billion decrease. The current year decrease in the fund balance was mainly a result of a \$1.082 billion decrease in revenues and a \$2.785 billion increase in expenditures in comparison to fiscal year 2008 which had an increase in fund balance of \$140 million.





During fiscal year 2009, General Fund revenues decreased \$1.082 billion to \$32.162 billion. Decreases in income taxes, sales taxes, and hospital assessment taxes of \$1.456 billion, \$764 million, and \$563 million, respectively, were the largest decreases in revenues. The decrease in income taxes and sales taxes were the result of the economic recession the State, along with the entire nation, was in the midst of during the fiscal year. The decrease in hospital assessment taxes was the result of the prior fiscal year recognizing two years worth of taxes collected due to the prior unavailability of the revenue. These decreases were partially offset by an increase in federal government revenue of \$1.699 billion, mostly associated from proceeds of the American Recovery and Reinvestment Act. General Fund expenditures increased \$2.785 billion to \$34.133 billion in fiscal year 2009 due mainly to increased spending on health and social services programs of \$1.612 billion and education programs of \$1.073 billion.

Road Fund

The Road Fund incurred a \$293 million increase in fund balance in the current year and has a \$524 million fund balance. Although expenditures decreased by \$61 million during the fiscal year, revenues increased \$324 million due to an increase in number of projects which were eligible for federal reimbursement.

State Construction Account

The State Construction Account's fund balance decreased \$230 million in fiscal year 2009 to an ending fund balance of \$209 million due to a significant increase in appropriated expenditures for construction projects.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets:

At June 30, 2009, the State had \$18.711 billion in capital assets, net of accumulated depreciation, in the following categories:

| Capital Assets as of June 30 (net of depreciation, in millions of dollars) | | | | | | |
|---|----------------------------|------------------|-----------------------------|-------------|------------------|------------------|
| | Governmental Activities | | Business-type Activities | | Total | |
| | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 |
| Land and land improvements | \$ 2,755 | \$ 2,664 | | | \$ 2,755 | \$ 2,664 |
| Site improvements | 368 | 381 | | | 368 | 381 |
| Buildings and building improvements | 2,251 | 2,290 | \$ 1 | \$ 1 | 2,252 | 2,291 |
| Equipment | 245 | 232 | 3 | 2 | 248 | 234 |
| Infrastructure | 13,000 | 12,817 | | | 13,000 | 12,817 |
| Other | 38 | 38 | | | 38 | 38 |
| Subtotal | 18,657 | 18,422 | 4 | 3 | 18,661 | 18,425 |
| Construction in progress | 50 | 31 | | | 50 | 31 |
| Total | \$ 18,707 | \$ 18,453 | \$ 4 | \$ 3 | \$ 18,711 | \$ 18,456 |

Infrastructure assets consist of 69% of the State's net capital assets and comprise \$1.175 billion of the \$1.481 billion (79%) of the current year additions to capital assets. The State capitalizes and depreciates its roads and road improvements over a twenty year period and its bridges over a forty year period. More detailed information regarding the State's capital assets is presented in Note 7 of the financial statements on page 79.

Debt Administration:

Bonded Indebtedness

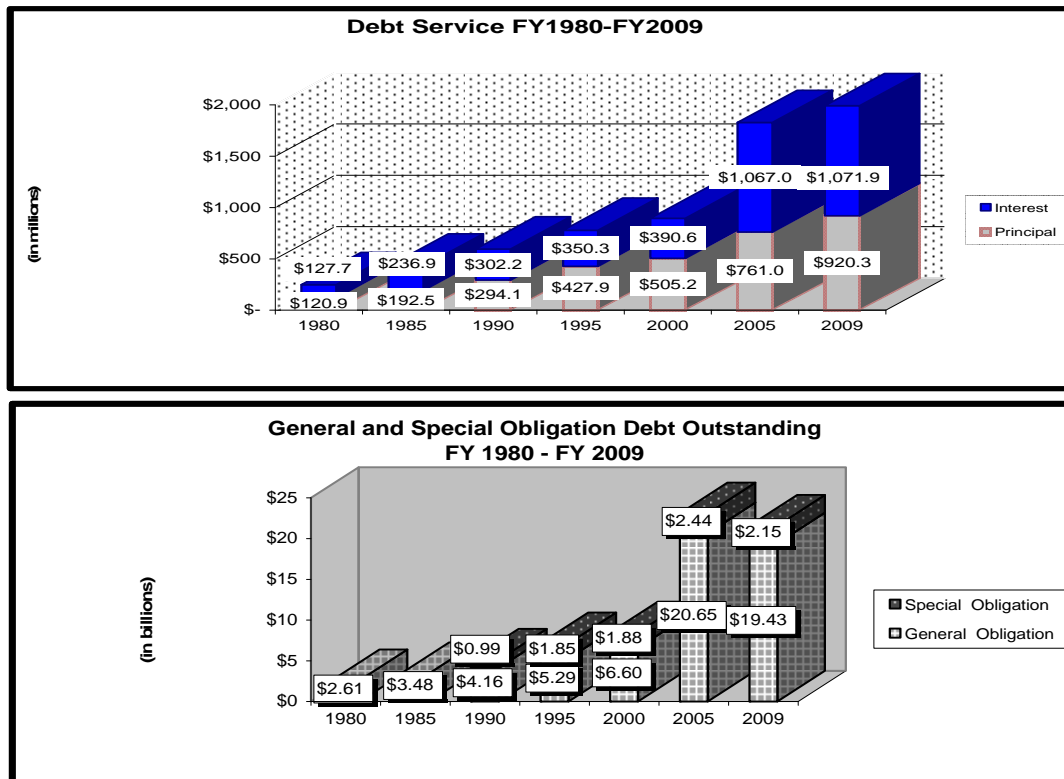
The State, certain State agencies and component units of the State are empowered by law to authorize, issue, and sell debt obligations. General obligation bonds, issued by the State, are

backed by the full faith and credit of the State and are considered a direct debt of the State. Special obligation bonds are also considered direct debt of the State but are not backed by the full faith and credit of the State. Rather, special obligation bonds are supported and repaid only by a dedicated State revenue source. Revenue bonds are not backed by the full faith and credit of the State but are backed by a specific revenue stream. Some revenue bonds can be considered moral obligation debt which means that if resources from the specified revenue stream are insufficient to support the debt service, the State is then obligated. Also, some revenue bonds are classified as indirect debt which means that the asset is the property of a local government but part of the payment of the debt service comes from State resources. Lastly, some revenue bonds can be considered conduit debt which implies no obligation for the State. More detailed information regarding the State's long-term debt obligations is presented in Notes 9, 10 and 11 to the financial statements beginning on page 88.

| Outstanding Bonded Debt as of June 30 (in millions of dollars) | | | | | | |
|---|----------------------------|------------------|-----------------------------|---------------|------------------|------------------|
| Primary Government | Governmental Activities | | Business-type Activities | | Total | |
| | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 |
| | | | | | | |
| General obligation bonds (backed by the State) | \$ 19,431 | \$ 19,991 | | | \$ 19,431 | \$ 19,991 |
| Special obligation bonds (backed by specific fee revenue) | 2,147 | 2,301 | | | 2,147 | 2,301 |
| Revenue bonds (backed by specific tax and fee revenue) | | | \$ 1,031 | \$ 884 | 1,031 | 884 |
| | <u>\$ 21,578</u> | <u>\$ 22,292</u> | <u>\$ 1,031</u> | <u>\$ 884</u> | <u>\$ 22,609</u> | <u>\$ 23,176</u> |

As shown above, Illinois had outstanding general and special obligation bonds at June 30, 2009 totaling \$21.578 billion. The decrease was the third straight fiscal year Illinois has paid more in debt principal than it has received in debt proceeds. Bonds have been issued primarily to provide funds for acquisition and construction of capital facilities for higher education, public and mental health, correction and conservation purposes, and for maintenance and construction of highway and waterway facilities. Bonds also have been issued to provide assistance to municipalities for construction of sewage treatment facilities, port districts, aquarium facilities, local schools, mass transportation and aviation purposes, and to fund research and development of coal and alternative energy sources. In addition, bonds have been issued to make pension contributions to the State's retirement systems in prior fiscal years and to fund a portion of the State's unfunded portion of prior year's retirement liabilities. The outstanding amount of \$9.900 billion for pension purposes, issued in 2003, is included in the outstanding general obligation bonds as of June 30, 2009.

General obligation bonds, excluding refunding bonds, aggregating \$150 million, were issued during fiscal year 2009 at interest rates ranging from 3.0% to 5.25%. Debt service principal of \$920 million and interest costs of \$1.072 billion were paid and charged, respectively, in fiscal year 2009. The dramatic increase in debt service payments and outstanding debt since fiscal year 1980 is displayed in the following charts:



In addition to general and special obligation bonds, the primary government had \$1.031 billion of revenue bonds and \$5.058 billion of non-pension long-term obligations outstanding as of June 30, 2009.

The State's general obligation bond ratings were A1 by Moody's Investor Services, AA- by Standard and Poor's, and AA- by Fitch Ratings as of June 30, 2009. These ratings were downgraded from Aa3, AA, and AA, respectively, as of June 30, 2008. In addition, since June 30, 2009 the ratings have again been downgraded and recalibrated to A1 by Moody's Investor Services, downgraded to A+ by Standard and Poor's, and downgraded and recalibrated to A by Fitch Ratings.

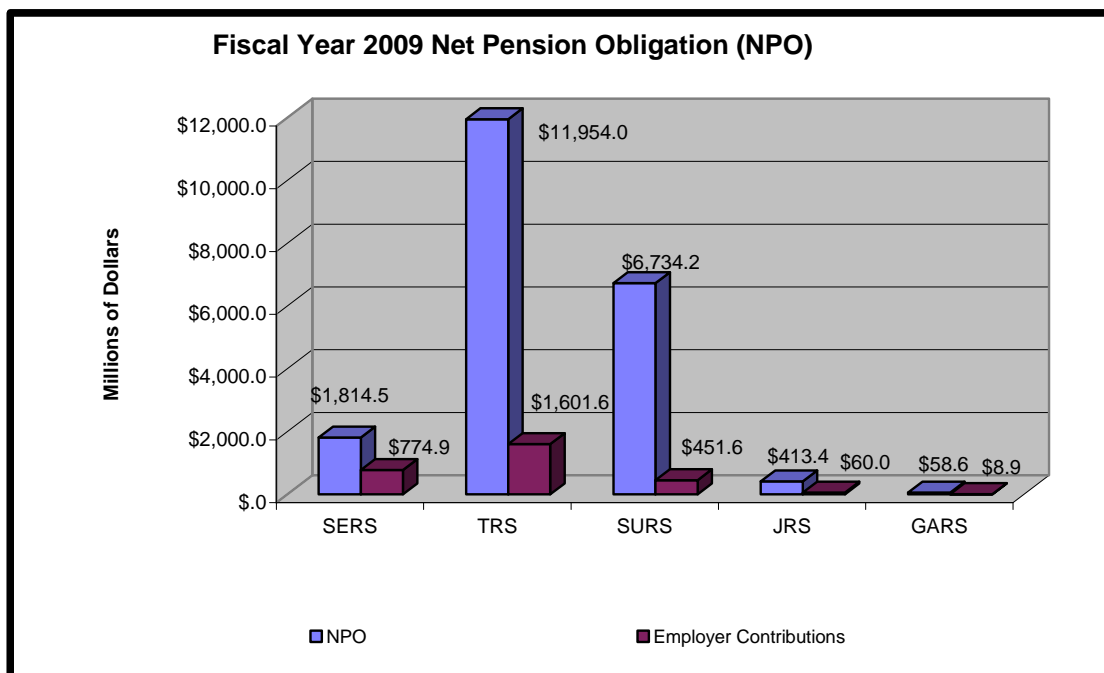
The State's special obligations bond ratings did not change during fiscal year 2009. The State's bond rating on special obligation-Build Illinois Bonds from Moody's Investor Services, Standard and Poor's, and Fitch Ratings remained at Aa3, AAA, and AA, respectively. However, since June 30, 2009, Moody's Investor Services lowered the State's special obligation bond rating for Build Illinois Bonds to A1 and Fitch Ratings has changed the bond rating for Build Illinois Bonds to AA+ as part of a recalibration process. The State's bond rating from Moody's Investors Services for special obligation-Civic Center bonds of A1 remained unchanged during fiscal year 2009 but was downgraded subsequent to June 30, 2009 to A2.

Retirement Systems

Besides general and special obligation bond indebtedness, the State's largest liability is its net pension obligation. During fiscal year 2009, this obligation increased \$1.779 billion from \$19.196 billion at June 30, 2008, to \$20.975 billion at June 30, 2009. Of the \$1.779 billion increase, \$878 million occurred at Teachers' Retirement System where the annual pension cost

(“APC”) was calculated to be \$2.480 billion and employer contributions were \$1.602 billion. In addition, at State Universities Retirement System the APC was calculated to be \$1.065 billion and employer contributions were \$452 million while at State Employees Retirement System the APC was calculated to be \$1.035 billion and employer contributions were \$775 million.

During fiscal year 2009, all of the State systems were funded in accordance with the *statutory funding* requirement. The new law enacted in fiscal year 1996 provides for a 50-year funding plan with a 15 year phase-in and a “continuing appropriation”. For fiscal years 2006 and 2007, however, the law was amended allowing for decreased contributions to the systems of only \$938.4 million and \$1,374.7 million, respectively, and requiring equal annual increments from fiscal year 2008 to 2010 (the end of the 15 year phase-in) to ensure the decreases have no long-term effect on contributions. The continuing appropriation provides the Comptroller’s Office with the authority to automatically provide funding to the pension systems based on actuarial cost requirements and amortization of the unfunded liability without being subject to the General Assembly’s appropriation process. However, the State’s 50-year funding plan does *not* meet the more stringent 30-year maximum amortization “parameters” required to be reported in the State’s financial statements in accordance with Government Accounting Standards Board Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*. As the statutory funding requirement allows for the 15-year phase-in and is amortized over a maximum period which is greater than the maximum period allowed by GASB, the net pension obligation has annually increased, except for fiscal year 2004 due to a general obligation bond issuance, since the implementation of GASB Statement No. 27.



ECONOMIC CONDITION AND OUTLOOK

Fiscal Year 2009

After six years of economic growth, Illinois suffered an intense recession during fiscal year 2009. Each of the measures of Illinois economic activity was down sharply for the fiscal year. Illinois’

non-agricultural employment (derived from survey data from Illinois companies) averaged 5.829 million workers in fiscal year 2009, a decrease of 154,000 jobs or 2.6% from 2008 employment, and 216,000 jobs or 3.6% below peak employment of 6.045 million jobs in fiscal 2001. A second Illinois employment estimate, obtained through household surveys, also showed a decrease in Illinois employment. According to these surveys, an average of 6.112 million Illinoisans were employed in fiscal year 2009, down 225,000 or 3.6% from the prior year employment level.

The average Illinois unemployment rate increased from 4.6% in fiscal year 2007 and 5.7% for 2008 to 8.1% for fiscal year 2009. This was the highest fiscal year average Illinois unemployment rate since fiscal year 1986 when the unemployment rate averaged 8.9%. The increased average unemployment rate was caused by the drop in employment levels and a 161,000 or 42.2% increase in average unemployment from 380,000 in fiscal year 2008 to 541,000 in fiscal year 2009.

The shift in Illinois employment from the manufacturing to the service sectors continued in fiscal year 2009. Average fiscal year 2009 manufacturing employment of 627,000 jobs was down 42,000 jobs or 6.3% from fiscal year 2008 and down 280,000 jobs or 30.9% from the cyclical peak manufacturing employment of 907,000 jobs during fiscal year 1998.

A more comprehensive measure of Illinois' economic performance is the change in state personal income adjusted for inflation. This value decreased 1.7% in fiscal year 2009 as nominal personal income fell 0.3% and the consumer price index was up 1.4%. State personal income adjusted for inflation had increased 3.7% in fiscal year 2007 and 0.8% in fiscal year 2008.

Outlook

In the current national recession, the State has shown an inability to generate sufficient cash from its current revenue structure to pay operating expenditures on a timely basis. The State's two largest revenue sources, income tax and sales tax, are especially susceptible to major downturns in the economy and have remained flat or declined in recent years. Continued economic deterioration will present continued revenue pressures on the State in the short-term causing difficulties in budgeting for current programs and services provided by the State.

These budgetary challenges and economic uncertainties along with the accumulated deficit in the General Fund, continued growth in unfunded actuarial postemployment benefit costs, and the recent ratings downgrades on debt issuances of the State may impact the State's ability to access credit markets for the continued short-term borrowings being issued to pay operational expenditures more timely and may increase interest costs of those borrowings.

REQUESTS FOR INFORMATION

This financial report is designed to provide citizens, taxpayers, customers, investors and creditors a general overview of the State's financial position and changes in the State's net assets for the year ended June 30, 2009. If you have any questions about this report or need additional financial information, contact the Office of the Comptroller at (217) 782-6000.

The State's component units issue separate audited financial statements and reports. These statements and reports may be obtained by directly contacting the component unit. Contact information can be obtained from the Office of the Comptroller at (217) 782-6000.

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State of Illinois

Statement of Net Assets

June 30, 2009 (Expressed in Thousands)

| | Primary Government | | | | |
|--|----------------------------|-----------------------------|-----------------|--------------------|--|
| | Governmental Activities | Business-type Activities | Total | Component Units | |
| ASSETS | | | | | |
| Cash equity with State Treasurer | \$ 5,418,908 | \$ 599,035 | \$ 6,017,943 | \$ 337,416 | |
| Cash and cash equivalents | 177,679 | 116,277 | 293,956 | 658,235 | |
| Deposits held by federal government | | 183,115 | 183,115 | | |
| Securities lending collateral of State Treasurer | 840,784 | 76,507 | 917,291 | | |
| Investments | 58,450 | 857,522 | 915,972 | 1,036,113 | |
| Securities lending collateral | | 72,331 | 72,331 | 104,985 | |
| Receivables, net: | | | | | |
| Taxes | 1,491,373 | 353,635 | 1,845,008 | | |
| Intergovernmental | 2,735,874 | 150,878 | 2,886,752 | 107,754 | |
| Other | 445,314 | 152,893 | 598,207 | 575,722 | |
| Internal balances | (56,963) | 56,963 | -- -- | | |
| Due from fiduciary funds | 10,327 | 460 | 10,787 | 51 | |
| Due from component units | 382,944 | 754 | 383,698 | 80,604 | |
| Due from primary government | | | | 353,308 | |
| Inventories | 106,918 | 448 | 107,366 | 48,242 | |
| Prepaid expenses | 58,583 | 325 | 58,908 | 54,363 | |
| Unamortized bond issuance costs | 54,712 | 2,223 | 56,935 | 47,168 | |
| Loans and notes receivable, net | 63,265 | 1,431,997 | 1,495,262 | 2,076,776 | |
| Restricted assets: | | | | | |
| Cash equity with State Treasurer | 66,987 | | 66,987 | 141,754 | |
| Cash and cash equivalents | 1,156 | 61,822 | 62,978 | 733,633 | |
| Investments | 20,217 | 138,999 | 159,216 | 2,137,153 | |
| Intergovernmental receivables | 1,197 | | 1,197 | | |
| Other receivables | 148 | 29,575 | 29,723 | 4,388 | |
| Loans and notes receivable, net | 2,873 | 1,569,790 | 1,572,663 | 69,317 | |
| Other assets | | | | 1,113 | |
| Other assets | 20,571 | | 20,571 | 55,915 | |
| Capital assets not being depreciated | 2,842,853 | 190 | 2,843,043 | 1,518,256 | |
| Capital assets being depreciated, net | 15,863,741 | 3,443 | 15,867,184 | 8,814,442 | |
| Total assets | 30,607,911 | 5,859,182 | 36,467,093 | 18,956,708 | |
| LIABILITIES | | | | | |
| Accounts payable and accrued liabilities | 7,689,820 | 336,087 | 8,025,907 | 998,827 | |
| Intergovernmental payables | 3,645,673 | 24,892 | 3,670,565 | 3,170 | |
| Due to fiduciary funds | 103,618 | 219 | 103,837 | 1,411 | |
| Due to component units | 197,357 | 86,886 | 284,243 | 80,604 | |
| Due to primary government | | | | 380,235 | |
| Unearned revenue | 680,478 | 15,841 | 696,319 | 435,803 | |
| Securities lending collateral | | 77,663 | 77,663 | 106,229 | |
| Obligations under security lending of State Treasurer | 840,784 | 76,507 | 917,291 | | |
| Assets held for others | | | | 227,371 | |
| Short-term notes and general obligation certificates payable | 1,021,890 | 398,947 | 1,420,837 | 19,052 | |
| Other liabilities | | | | 33,548 | |
| Long-term obligations: | | | | | |
| Due within one year | 1,124,520 | 159,511 | 1,284,031 | 656,380 | |
| Due subsequent to one year | 45,248,337 | 2,108,483 | 47,356,820 | 7,745,175 | |
| Total liabilities | 60,552,477 | 3,285,036 | 63,837,513 | 10,687,805 | |
| NET ASSETS | | | | | |
| Invested in capital assets, net of related debt | 14,174,505 | 3,630 | 14,178,135 | 4,851,042 | |
| Restricted for: | | | | | |
| Debt service | 856,952 | 46,921 | 903,873 | 331,642 | |
| Repayment of loan from component unit | | 328,758 | 328,758 | | |
| Municipal lending | | 1,666,546 | 1,666,546 | | |
| Unemployment compensation benefits | | 600,157 | 600,157 | | |
| Education | 2,039 | 90,061 | 92,100 | | |
| Employment and economic development | 44,869 | | 44,869 | | |
| Health and social services | 23,969 | | 23,969 | | |
| Public protection and justice | 22,872 | | 22,872 | | |
| Environment and business regulation | 28,092 | | 28,092 | | |
| Transportation | 5,780 | | 5,780 | | |
| Other purposes | 11,448 | | 11,448 | 68,392 | |
| Funds held as permanent investments: | | | | | |
| Nonexpendable purposes | 1,089 | | 1,089 | 852,063 | |
| Expendable purposes | 916 | | 916 | 1,403,674 | |
| Unrestricted net assets | (45,117,097) | (161,927) | (45,279,024) | 762,090 | |
| Total net assets | \$ (29,944,566) | \$ 2,574,146 | \$ (27,370,420) | \$ 8,268,903 | |

The accompanying notes to the financial statements are an integral part of this statement.

State of Illinois

Statement of Activities

For the Year Ended June 30, 2009 (Expressed in Thousands)

| Functions/Programs | Expenses | Program Revenues | | |
|---|----------------------|----------------------|------------------------------------|----------------------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| Primary government | | | | |
| Governmental activities | | | | |
| Health and social services | \$ 24,057,805 | \$ 177,666 | \$ 13,575,454 | |
| Education | 16,348,835 | 4,446 | 3,110,428 | |
| General government | 1,917,139 | 2,109,969 | 18,054 | \$ 33,811 |
| Employment and economic development | 861,955 | 20,208 | 707,267 | |
| Transportation | 4,192,950 | 53,885 | 316,075 | 1,459,504 |
| Public protection and justice | 3,246,422 | 57,543 | 199,238 | |
| Environment and business regulation | 872,113 | 346,929 | 114,752 | 2,394 |
| Intergovernmental-revenue sharing | 4,631,525 | | | |
| Interest | 1,123,866 | | | |
| Total governmental activities | <u>57,252,610</u> | <u>2,770,646</u> | <u>18,041,268</u> | <u>1,495,709</u> |
| Business-type activities | | | | |
| Unemployment compensation trust | 5,086,053 | 1,600,817 | 1,644,757 | |
| Water revolving | 18,085 | 46,007 | 28,483 | |
| Prepaid tuition program | 74,718 | (153,932) | | |
| Designated account purchase program | 62,622 | 50,809 | | |
| Lottery | 1,443,717 | 2,082,039 | | |
| Federal student loans | 199,964 | 19,756 | 193,578 | |
| Other | 122,312 | 130,858 | 168 | |
| Total business-type activities | <u>7,007,471</u> | <u>3,776,354</u> | <u>1,866,986</u> | |
| Total primary government | <u>\$ 64,260,081</u> | <u>\$ 6,547,000</u> | <u>\$ 19,908,254</u> | <u>\$ 1,495,709</u> |
| Component units | | | | |
| Authorities | | | | |
| Illinois Housing Development Authority | \$ 309,979 | \$ 111,227 | \$ 230,907 | |
| Toll Highway Authority | 896,776 | 812,878 | | |
| Other Authorities | 235,800 | 137,282 | 6,930 | \$ 830 |
| Universities | | | | |
| Illinois State University | 408,073 | 212,811 | 29,591 | 950 |
| Northern Illinois University | 498,120 | 248,524 | 78,655 | |
| Southern Illinois University | 973,306 | 437,898 | 96,642 | 7,090 |
| University of Illinois | 4,308,039 | 2,067,308 | 815,247 | 8,442 |
| Other Universities | <u>827,998</u> | <u>378,495</u> | <u>116,339</u> | <u>997</u> |
| Total component units | <u>\$ 8,458,091</u> | <u>\$ 4,406,423</u> | <u>\$ 1,374,311</u> | <u>\$ 18,309</u> |
| General revenues | | | | |
| Taxes: | | | | |
| Income taxes | | | | |
| Sales taxes | | | | |
| Motor fuel taxes | | | | |
| Public utility taxes | | | | |
| Riverboat taxes | | | | |
| Hospital assessment taxes | | | | |
| Other taxes | | | | |
| Interest and investment income | | | | |
| Other revenues | | | | |
| Gain on capital assets traded-in | | | | |
| Payments from the State of Illinois | | | | |
| Additions to permanent endowments | | | | |
| Transfers | | | | |
| Total general revenues, payments from the State of Illinois, additions to permanent funds and transfers | | | | |
| Change in net assets | | | | |
| Net assets, July 1, 2008, as restated | | | | |
| Net assets, June 30, 2009 | | | | |

The accompanying notes to the financial statements are an integral part of this statement.

| Net (Expense) Revenues and Changes in Net Assets | | | |
|--|-----------------------------|------------------------|---------------------|
| Primary Government | | | |
| Governmental Activities | Business-type Activities | Total | Component Units |
| \$ (10,304,685) | | \$ (10,304,685) | |
| (13,233,961) | | (13,233,961) | |
| 244,695 | | 244,695 | |
| (134,480) | | (134,480) | |
| (2,363,486) | | (2,363,486) | |
| (2,989,641) | | (2,989,641) | |
| (408,038) | | (408,038) | |
| (4,631,525) | | (4,631,525) | |
| (1,123,866) | | (1,123,866) | |
| <u>(34,944,987)</u> | | | |
| | \$ (1,840,479) | (1,840,479) | |
| | 56,405 | 56,405 | |
| | (228,650) | (228,650) | |
| | (11,813) | (11,813) | |
| | 638,322 | 638,322 | |
| | 13,370 | 13,370 | |
| | 8,714 | 8,714 | |
| | <u>(1,364,131)</u> | | |
| | | <u>(36,309,118)</u> | |
| | | | \$ 32,155 |
| | | | (83,898) |
| | | | (90,758) |
| | | | (164,721) |
| | | | (170,941) |
| | | | (431,676) |
| | | | (1,417,042) |
| | | | <u>(332,167)</u> |
| | | | <u>(2,659,048)</u> |
| 11,845,194 | | 11,845,194 | |
| 9,157,404 | | 9,157,404 | |
| 1,349,275 | | 1,349,275 | |
| 1,678,023 | | 1,678,023 | |
| 533,271 | | 533,271 | |
| 978,248 | | 978,248 | |
| 2,181,647 | | 2,181,647 | |
| 139,553 | 76,006 | 215,559 | (310,593) |
| 1,006,261 | | 1,006,261 | 421,770 |
| 4,814 | | 4,814 | |
| | | | 2,313,755 |
| | | | 51,053 |
| <u>673,354</u> | <u>(673,354)</u> | <u>-</u> | |
| <u>29,547,044</u> | <u>(597,348)</u> | <u>28,949,696</u> | <u>2,475,985</u> |
| (5,397,943) | (1,961,479) | (7,359,422) | (183,063) |
| (24,546,623) | 4,535,625 | (20,010,998) | 8,451,966 |
| <u>\$ (29,944,566)</u> | <u>\$ 2,574,146</u> | <u>\$ (27,370,420)</u> | <u>\$ 8,268,903</u> |

State of Illinois

**Balance Sheet -
Governmental Funds**

June 30, 2009 (Expressed in Thousands)

| | General Fund | Road Fund | State Construction Account | Other Nonmajor Funds | Total Governmental Funds |
|---|---------------------|---------------------|----------------------------------|----------------------------|--------------------------------|
| ASSETS | | | | | |
| Cash equity with State Treasurer | \$ 1,500,099 | \$ 445,177 | \$ 238,081 | \$ 3,222,654 | \$ 5,406,011 |
| Cash and cash equivalents | 2,256 | 922 | 371 | 157,736 | 161,285 |
| Securities lending collateral of State Treasurer | 592,388 | 54,338 | 25,884 | 157,310 | 829,920 |
| Investments | | | | 78,667 | 78,667 |
| Receivables, net: | | | | | |
| Taxes | 1,130,695 | | | 360,678 | 1,491,373 |
| Intergovernmental | 1,716,746 | 509,135 | | 500,090 | 2,725,971 |
| Other | 114,398 | 14,037 | 3,754 | 297,241 | 429,430 |
| Due from other funds | 39,650 | 50,877 | 46,648 | 481,317 | 618,492 |
| Due from component units | 2,513 | 527 | | 361,387 | 364,427 |
| Inventories | 24,382 | 53,452 | | 17,217 | 95,051 |
| Loans and notes receivable, net | 8,019 | | | 58,119 | 66,138 |
| Other assets | 15,000 | | | 5,571 | 20,571 |
| Total assets | \$ 5,146,146 | \$ 1,128,465 | \$ 314,738 | \$ 5,697,987 | \$ 12,287,336 |
| LIABILITIES | | | | | |
| Accounts payable and accrued liabilities | \$ 6,136,874 | \$ 235,138 | \$ 72,974 | \$ 422,206 | \$ 6,867,192 |
| Intergovernmental payables | 2,053,255 | 135,315 | 1,195 | 1,438,365 | 3,628,130 |
| Due to other funds | 1,441,246 | 107,798 | 63 | 295,066 | 1,844,173 |
| Due to component units | 158,307 | 2,260 | | 35,306 | 195,873 |
| Unavailable revenue | 1,018,986 | 59,710 | | 411,996 | 1,490,692 |
| Unearned revenue | 404,600 | 9,125 | 5,268 | 261,105 | 680,098 |
| Obligations under security lending of State Treasurer | 592,388 | 54,338 | 25,884 | 157,310 | 829,920 |
| General obligation certificates payable | 1,021,890 | | | | 1,021,890 |
| Matured portion of long-term liabilities | 103 | 506 | | | 609 |
| Total liabilities | 12,827,649 | 604,190 | 105,384 | 3,021,354 | 16,558,577 |
| FUND BALANCES (DEFICITS) | | | | | |
| Reserved for: | | | | | |
| Encumbrances | 8,402 | 5,039 | | 23,462 | 36,903 |
| Long-term portion of: | | | | | |
| Loans and notes receivable | 8,019 | | | 58,119 | 66,138 |
| Due from State of Illinois component units | | | | 340,987 | 340,987 |
| Inventories | 24,382 | 53,452 | | 17,217 | 95,051 |
| Other purposes | | | | 8,893 | 8,893 |
| Unreserved: | | | | | |
| Designated for reappropriated accounts, reported in: | | | | | |
| Special revenue funds | | 465,784 | 209,354 | 42,025 | 717,163 |
| Capital projects funds | | | | 421 | 421 |
| Undesignated: | | | | | |
| General fund | (7,722,306) | | | | (7,722,306) |
| Special revenue funds | | | | 1,331,600 | 1,331,600 |
| Debt service funds | | | | 837,423 | 837,423 |
| Capital projects funds | | | | 15,570 | 15,570 |
| Permanent funds | | | | 916 | 916 |
| Total fund balances (deficits) | (7,681,503) | 524,275 | 209,354 | 2,676,633 | (4,271,241) |
| Total liabilities and fund balances (deficits) | \$ 5,146,146 | \$ 1,128,465 | \$ 314,738 | \$ 5,697,987 | \$ 12,287,336 |

The accompanying notes to the financial statements are an integral part of this statement.

State of Illinois
Reconciliation of Governmental Funds Balance Sheet
to Statement of Net Assets
June 30, 2009
(Expressed in Thousands)

Total fund balances-governmental funds \$ (4,271,241)

Amounts reported for governmental activities in the
Statement of Net Assets are different because:

Capital assets used in governmental activities, not including amounts
included as assets in internal service funds of \$286,864, are not
financial resources and therefore are not reported in the funds. 18,419,730

Prepaid expenses for governmental activities are current uses of financial
resources for funds. 58,582

Bond issuance costs are reported as current expenditures in governmental
funds. However, bond issuance costs are deferred and amortized over the
life of the bonds and are included as governmental activities in the
Statement of Net Assets. 54,712

Bond refunding costs are reported as current expenditures in governmental
funds. However, bond refunding costs are deferred and amortized over
the life of the defeased bonds and are included in governmental activities
in the Statement of Net Assets. 40,929

Internal service funds are used to charge costs of certain activities to
individual funds. The assets and liabilities of the internal service funds
are reported as governmental activities in the Statement of Net Assets. 376,074

Some revenues will be collected after year-end but are "unavailable" to
pay for the current period's expenditures due to not being collectible for
several months and therefore are deferred in governmental funds. 1,490,692

Some liabilities reported in the Statement of Net Assets do not require the
use of current financial resources and therefore are not reported as liabilities
in governmental funds. These liabilities, not including amounts included
as liabilities in internal service funds of \$462,496, consist of:

| | | |
|---|-----------------|--------------|
| Net pension obligation | \$ (20,974,704) | |
| Net other postemployment benefit obligation | (2,474,254) | |
| General obligation bonds | (19,430,952) | |
| Special obligation bonds | (2,146,514) | |
| Unamortized premiums | (339,565) | |
| Unamortized discounts | 2,084 | |
| Financing payable under swap | (39,977) | |
| Other commitments | (6,378) | |
| Compensated absences | (430,979) | |
| Certificates of participation | (52,395) | |
| Pollution remediation obligation | (30,015) | |
| Auto liability | (13,791) | |
| Capital leases | (8,428) | |
| Installment purchases | (4,813) | |
| Accrued interest | (163,363) | |
| | (46,114,044) | (46,114,044) |

Net assets of governmental activities \$ (29,944,566)

The accompanying notes to the financial statements are an integral part of this statement.

State of Illinois

**Statement of Revenues, Expenditures
and Changes in Fund Balances - Governmental Funds**

For the Year Ended June 30, 2009 (Expressed in Thousands)

| | General Fund | Road Fund | State Construction Account | Other Nonmajor Funds | Total Governmental Funds |
|--|-----------------------|-------------------|----------------------------------|----------------------------|--------------------------------|
| REVENUES | | | | | |
| Income taxes | \$ 10,804,239 | | | \$ 1,055,994 | \$ 11,860,233 |
| Sales taxes | 6,658,585 | | | 2,497,650 | 9,156,235 |
| Motor fuel taxes | | | | 1,350,032 | 1,350,032 |
| Public utility taxes | 1,168,362 | | | 499,027 | 1,667,389 |
| Riverboat taxes | | | | 533,271 | 533,271 |
| Hospital assessment taxes | 975,086 | | | | 975,086 |
| Other taxes | 1,849,580 | | | 318,588 | 2,168,168 |
| Federal government | 9,124,295 | \$ 1,618,341 | | 7,405,792 | 18,148,428 |
| Licenses and fees | 271,253 | 838,077 | \$ 477,657 | 464,271 | 2,051,258 |
| Interest and other investment income | 80,305 | 9,821 | 6,110 | 40,360 | 136,596 |
| Other | 1,229,985 | 117,888 | | 908,309 | 2,256,182 |
| Total revenues | 32,161,690 | 2,584,127 | 483,767 | 15,073,294 | 50,302,878 |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| Health and social services | 18,595,812 | | | 5,101,110 | 23,696,922 |
| Education | 11,937,609 | | | 2,382,298 | 14,319,907 |
| General government | 903,144 | 155,452 | | 301,966 | 1,360,562 |
| Employment and economic development | 130,648 | | | 671,405 | 802,053 |
| Transportation | 66,516 | 1,686,505 | 7,617 | 1,320,222 | 3,080,860 |
| Public protection and justice | 2,363,193 | 143,547 | | 310,634 | 2,817,374 |
| Environment and business regulation | 122,950 | | | 679,992 | 802,942 |
| Debt service: | | | | | |
| Principal | 1,935 | 13 | | 926,391 | 928,339 |
| Interest | 924 | 1 | | 1,101,862 | 1,102,787 |
| Capital outlays | 10,248 | 375,896 | 932,902 | 137,419 | 1,456,465 |
| Intergovernmental | | | | 4,631,525 | 4,631,525 |
| Total expenditures | 34,132,979 | 2,361,414 | 940,519 | 17,564,824 | 54,999,736 |
| Excess (deficiency) of revenues over (under) expenditures | (1,971,289) | 222,713 | (456,752) | (2,491,530) | (4,696,858) |
| OTHER SOURCES (USES) OF FINANCIAL RESOURCES | | | | | |
| General obligation bonds issued | | | | 150,000 | 150,000 |
| Premiums on general obligation bonds issued | | | | 2,290 | 2,290 |
| Transfers-in | 2,970,124 | 311,231 | 226,509 | 6,046,628 | 9,554,492 |
| Transfers-out | (4,642,617) | (259,016) | | (3,963,243) | (8,864,876) |
| Capital lease financing | 916 | | | 448 | 1,364 |
| Net other sources (uses) of financial resources | (1,671,577) | 52,215 | 226,509 | 2,236,123 | 843,270 |
| Net change in fund balances | (3,642,866) | 274,928 | (230,243) | (255,407) | (3,853,588) |
| Fund balances (deficits), July 1, 2008, as restated | (4,035,420) | 231,706 | 439,597 | 2,930,525 | (433,592) |
| Increase (decrease) for changes in inventories | (3,217) | 17,641 | | 1,515 | 15,939 |
| FUND BALANCES (DEFICITS), JUNE 30, 2009 | \$ (7,681,503) | \$ 524,275 | \$ 209,354 | \$ 2,676,633 | \$ (4,271,241) |

The accompanying notes to the financial statements are an integral part of this statement.

State of Illinois
Reconciliation of Statement of Revenues, Expenditures and Changes in
Fund Balances of Governmental Funds to Statement of Activities
For the Year Ended June 30, 2009
(Expressed in Thousands)

| | |
|------------------------------------|--------------------|
| Net change in fund balances | \$ (3,853,588) |
| Change in inventories | 15,939 |
| | <u>(3,837,649)</u> |

Amounts reported for governmental activities in the Statement of Activities are different because:

Prepaid expenses are recorded as uses of current financial resources in governmental funds but do not affect the expenses reported on the Statement of Activities. Prepaid expenses decreased by this amount during the year. (16,354)

Capital outlays are reported as expenditures in governmental funds. However, in the Statement of Activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current year, these amounts are:

| | | |
|---|--------------------|---------|
| Capital outlays | \$ 1,456,465 | |
| Depreciation expense | <u>(1,193,951)</u> | |
| Excess of capital outlays over depreciation expense | | 262,514 |

Revenues for capital assets acquired through noncash transactions are not recorded in governmental funds. However, in the Statement of Activities, program revenues are recorded for donated capital assets (\$1,134) and capital assets received as forfeitures (\$364) in this amount. 1,498

Gains and losses from capital assets no longer in use are not recorded in governmental funds but are reported as other revenues and expenses in the Statement of Activities. In the current year, these transactions include:

| | | |
|---|----------------|-----|
| Gain on capital assets traded-in | 4,814 | |
| Loss on capital assets scrapped, damaged, or stolen | <u>(4,295)</u> | |
| Net increase in net assets for noncash capital asset activity | | 519 |

The amount of net revenue for internal service funds below includes contributions of capital assets from governmental activities that does not affect the net assets of governmental activities. (7,211)

Internal service funds are used to charge the costs of certain activities to individual funds. The net revenue of the internal service funds is reported as governmental activities in the Statement of Activities. 2,001

Because some revenues will not be collected for several months, they are considered "unavailable" revenues and revenue recognition is deferred in the governmental funds. Unavailable revenues increased by this amount during the year. 460,799

The incurrence of long-term debt provides current financial resources to governmental funds while the repayment of the long-term debt is recorded as uses of current financial resources in governmental funds. Neither transaction has an affect on net assets. Also, governmental funds report the effect of premiums, discounts, and deferred amounts on refundings of debt when the long-term debt is issued whereas these amounts are deferred and amortized in the Statement of Activities.

| | | |
|---|--------------|---------|
| Bond proceeds, including premiums of \$2,290 | (152,290) | |
| Bond issuance costs deferred | 839 | |
| Bond principal retirements | 920,261 | |
| Amortization of bond premiums | 43,498 | |
| Amortization of bond discounts | (120) | |
| Amortization of bond issuance costs | (4,714) | |
| Amortization of deferred loss on refundings of debt | (10,959) | |
| Capital lease and installment purchase agreement proceeds | (1,364) | |
| Capital lease and installment purchase principal retirements | 3,198 | |
| Certificates of participation principal retirements | <u>4,880</u> | |
| Net decrease in change in fund balance of governmental funds from long-term debt transactions | | 803,229 |

Some expenses reported in the Statement of Activities do not require the use of current financial resources and are therefore not reported as expenditures in governmental funds. Also, some expenditures reported in governmental funds decrease the amount of certain long-term liabilities reported on the Statement of Net Assets and are therefore not reported as expenses in the Statement of Activities.

| | | |
|---|--------------|--------------------|
| Increase in net pension obligation | (1,778,649) | |
| Increase in net other postemployment benefit obligation | (1,236,123) | |
| Increase in compensated absences obligation | (2,612) | |
| Interest accreted on capital appreciation debt | (55,209) | |
| Increase in auto liability obligation | (2,113) | |
| Decrease in accrued interest on obligations | 3,915 | |
| Decrease in other obligations | <u>3,502</u> | |
| Net increase in expenses for net increase in long-term liabilities not reported in governmental funds | | <u>(3,067,289)</u> |

| | |
|--|------------------------------|
| Change in net assets of governmental activities | <u><u>\$ (5,397,943)</u></u> |
|--|------------------------------|

The accompanying notes to the financial statements are an integral part of this statement.

State of Illinois

**Statement of Net Assets -
Proprietary Funds**

June 30, 2009 (Expressed in Thousands)

| | Business-type Activities - Enterprise Funds | | | | | | Governmental Activities - Internal Service Funds |
|---|---|----------------------------|----------------------------|--|---------------------------------|--------------|--|
| | Major | | | | Nonmajor Enterprise Funds | Total | |
| | Unemployment Compensation Trust Fund | Water Revolving Fund | Prepaid Tuition Fund | Designated Account Purchase Program Fund | | | |
| ASSETS | | | | | | | |
| Cash equity with State Treasurer | | \$ 402,809 | \$ 58,733 | \$ 7 | \$ 137,486 | \$ 599,035 | \$ 79,884 |
| Cash and cash equivalents | \$ 92,790 | 13,472 | 2,599 | 1,071 | 6,345 | 116,277 | 17,550 |
| Deposits held by federal government | 183,115 | | | | | 183,115 | |
| Securities lending collateral of State Treasurer | | 58,529 | | | 17,978 | 76,507 | 10,864 |
| Investments | | | | 52 | 26,775 | 26,827 | |
| Securities lending collateral | | | 72,331 | | | 72,331 | |
| Receivables, net: | | | | | | | |
| Taxes | 353,635 | | | | | 353,635 | |
| Intergovernmental | 107,914 | 5,966 | | | 36,998 | 150,878 | 11,100 |
| Other | 109,459 | 13,364 | 7 | | 30,063 | 152,893 | 16,032 |
| Due from other funds | 12,018 | | | 1,724 | 78,049 | 91,791 | 1,103,650 |
| Due from component units | 267 | 487 | | | | 754 | 18,517 |
| Loans and notes receivable, net | | 128,485 | | | | 128,485 | |
| Restricted assets: | | | | | | | |
| Cash and cash equivalents | | | | 61,822 | | 61,822 | |
| Investments | | | | 138,999 | | 138,999 | |
| Other receivables, net | | 2,215 | | 27,360 | | 29,575 | |
| Loans and notes receivable, net | | 29,299 | | 253,062 | | 282,361 | |
| Unamortized bond issuance costs | | 117 | | 83 | | 200 | |
| Inventories | | | | | 448 | 448 | 11,867 |
| Prepaid expenses | | | | | 325 | 325 | 1 |
| Total current assets | 859,198 | 654,743 | 133,670 | 484,180 | 334,467 | 2,466,258 | 1,269,465 |
| Investments | | | 824,995 | | 5,700 | 830,695 | |
| Loans and notes receivable, net | | 1,303,512 | | | | 1,303,512 | |
| Restricted loans and notes receivable, net | | 297,244 | | 990,185 | | 1,287,429 | |
| Unamortized bond issuance costs | | 534 | | 1,489 | | 2,023 | |
| Capital assets not being depreciated | | | | | 190 | 190 | 38,369 |
| Capital assets being depreciated, net | | 234 | | 34 | 3,175 | 3,443 | 248,495 |
| Total noncurrent assets | | 1,601,524 | 824,995 | 991,708 | 9,065 | 3,427,292 | 286,864 |
| Total assets | 859,198 | 2,256,267 | 958,665 | 1,475,888 | 343,532 | 5,893,550 | 1,556,329 |
| LIABILITIES | | | | | | | |
| Accounts payable and accrued liabilities | 227,399 | 87 | 638 | 3,474 | 104,489 | 336,087 | 659,265 |
| Intergovernmental payables | 11,509 | 1 | | 2,677 | 10,705 | 24,892 | 17,543 |
| Due to other funds | 20,133 | 58 | 88 | 3,234 | 11,074 | 34,587 | 28,223 |
| Due to component units | | 86,722 | 13 | 151 | | 86,886 | 1,484 |
| Unearned revenue | | | | | 15,841 | 15,841 | 380 |
| Obligations under securities lending collateral | | | 77,663 | | | 77,663 | |
| Obligations under securities lending of State Treasurer | | 58,529 | | | 17,978 | 76,507 | 10,864 |
| Short-term notes payable | | | | 398,947 | | 398,947 | |
| Current portion of long-term obligations | | 51 | 60,007 | 96,549 | 2,904 | 159,511 | 121,925 |
| Total current liabilities | 259,041 | 145,448 | 138,409 | 505,032 | 162,991 | 1,210,921 | 839,684 |
| Noncurrent portion of long-term obligations | | 1,288 | 1,161,915 | 931,350 | 13,930 | 2,108,483 | 340,571 |
| Total liabilities | 259,041 | 146,736 | 1,300,324 | 1,436,382 | 176,921 | 3,319,404 | 1,180,255 |
| NET ASSETS | | | | | | | |
| Invested in capital assets, net of related debt | | 231 | | 34 | 3,365 | 3,630 | 241,802 |
| Net assets restricted for: | | | | | | | |
| Debt service | | | | 46,921 | | 46,921 | 3,670 |
| Repayment of loan from component unit | | 328,758 | | | | 328,758 | |
| Municipal lending | | 1,666,546 | | | | 1,666,546 | |
| Unemployment compensation benefits | 600,157 | | | | | 600,157 | |
| Education | | | | | 90,061 | 90,061 | |
| Unrestricted | | 113,996 | (341,659) | (7,449) | 73,185 | (161,927) | 130,602 |
| Total net assets | \$ 600,157 | \$ 2,109,531 | \$ (341,659) | \$ 39,506 | \$ 166,611 | \$ 2,574,146 | \$ 376,074 |

The accompanying notes to the financial statements are an integral part of this statement.

State of Illinois

**Statement of Revenues, Expenses and Changes in
Fund Net Assets - Proprietary Funds**

For the Year Ended June 30, 2009 (Expressed in Thousands)

| | Business-type Activities - Enterprise Funds | | | | | | Governmental Activities - Internal Service Funds |
|---|---|----------------------------|-------------------------|---|---------------------------------|---------------------|---|
| | Major | | | | | | |
| | Unemployment Compensation Trust Fund | Water Revolving Fund | Prepaid Tuition Fund | Designated Account Purchase Program Fund | Nonmajor Enterprise Funds | Total | |
| OPERATING REVENUES | | | | | | | |
| Charges for sales and services | | | \$ 1,940 | | \$ 2,227,768 | \$ 2,229,708 | \$ 2,835,972 |
| Interest income pledged as revenue bond security | | | | \$ 50,809 | | 50,809 | |
| Interest and other investment income | | \$ 46,007 | (155,872) | | 12 | (109,853) | |
| Employer contributions | \$ 1,600,817 | | | | | 1,600,817 | |
| Other | 1,644,757 | | | | 4,873 | 1,649,630 | 33 |
| Total operating revenues | 3,245,574 | 46,007 | (153,932) | 50,809 | 2,232,653 | 5,421,111 | 2,836,005 |
| OPERATING EXPENSES | | | | | | | |
| Cost of sales and services | | | | | 361,427 | 361,427 | 513,553 |
| Benefit payments and refunds | 5,086,053 | | | | 56,017 | 5,142,070 | 2,210,959 |
| Prizes and claims | | | | | 1,225,864 | 1,225,864 | |
| Interest | | | | 29,903 | 2 | 29,905 | |
| General and administrative | | 13,828 | 5,294 | 28,085 | 109,974 | 157,181 | 93,989 |
| Depreciation | | 53 | | 13 | 578 | 644 | 31,662 |
| Other | | | 69,424 | | 12,101 | 81,525 | 12,137 |
| Total operating expenses | 5,086,053 | 13,881 | 74,718 | 58,001 | 1,765,963 | 6,998,616 | 2,862,300 |
| Operating income (loss) | (1,840,479) | 32,126 | (228,650) | (7,192) | 466,690 | (1,577,505) | (26,295) |
| NONOPERATING REVENUES (EXPENSES) | | | | | | | |
| Interest and investment income | 61,180 | 10,334 | | | 4,492 | 76,006 | 2,812 |
| Interest expense | | (4,204) | | | | (4,204) | (2,204) |
| Federal government | | 28,483 | | | 193,746 | 222,229 | 36,368 |
| Other revenues | | | | | | | 610 |
| Other expenses | | | | (1,891) | (30) | (1,921) | (95) |
| Income (loss) before special items and transfers | (1,779,299) | 66,739 | (228,650) | (9,083) | 664,898 | (1,285,395) | 11,196 |
| Special items | | | | (2,730) | | (2,730) | |
| Contributions of capital assets | | | | | 10 | 10 | 7,211 |
| Transfers-in | 1,519 | | | | 23,139 | 24,658 | 449 |
| Transfers-out | (13,221) | (7) | (32) | | (684,762) | (698,022) | (16,855) |
| Change in net assets | (1,791,001) | 66,732 | (228,682) | (11,813) | 3,285 | (1,961,479) | 2,001 |
| Net assets, July 1, 2008 | 2,391,158 | 2,042,799 | (112,977) | 51,319 | 163,326 | 4,535,625 | 374,073 |
| NET ASSETS, JUNE 30, 2009 | \$ 600,157 | \$ 2,109,531 | \$ (341,659) | \$ 39,506 | \$ 166,611 | \$ 2,574,146 | \$ 376,074 |

The accompanying notes to the financial statements are an integral part of this statement.

State of Illinois

Statement of Cash Flows -

Proprietary Funds

For the Year Ended June 30, 2009 (Expressed in Thousands)

| | Business-type Activities - Enterprise Funds | | | | | | Governmental Activities - Internal Service Funds |
|---|---|----------------------------|-------------------------|---|---------------------------------|-------------|--|
| | Major | | | | | | |
| | Unemployment Compensation Trust Fund | Water Revolving Fund | Prepaid Tuition Fund | Designated Account Purchase Program Fund | Nonmajor Enterprise Funds | Total | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | | | |
| Cash received from sales and services | | | \$ 1,940 | | \$ 225,247 | \$ 227,187 | \$ 139,749 |
| Cash received from lottery sales (net of \$927,976 cash prizes paid by agents and \$104,571 commissions retained by agents) | | | | | 1,039,536 | 1,039,536 | |
| Cash received from transactions with other funds | | | | | | | 2,107,825 |
| Cash payments to suppliers for goods and services | | \$ (2,463) | (3,562) | \$ (13,039) | (65,387) | (84,451) | (2,125,042) |
| Cash payments to employees for services | | (11,546) | (1,868) | (6,112) | (173,488) | (193,014) | (141,559) |
| Cash payments for lottery prizes | | | | | (293,848) | (293,848) | |
| Cash receipts from unemployment taxes | \$ 1,666,148 | | | | | 1,666,148 | |
| Cash receipts from federal unemployment grants | 1,610,166 | | | | | 1,610,166 | |
| Cash payments for unemployment benefits | (4,954,040) | | | | | (4,954,040) | |
| Cash receipts from prepaid tuition contract sales | | | 114,320 | | | 114,320 | |
| Cash payments for tuition | | | (53,856) | | | (53,856) | |
| Cash payments for tuition contract refunds | | | (8,791) | | | (8,791) | |
| Cash receipts from student loan principal | | | | 102,306 | | 102,306 | |
| Cash receipts from student loan interest | | | | 25,698 | | 25,698 | |
| Cash payments for student loans issued | | | | (97,314) | | (97,314) | |
| Cash payments for workers' compensation | | | | | | | (97,939) |
| Cash receipts from other operating activities | | | | | 5,636 | 5,636 | 37,420 |
| Cash payments for other operating activities | | | | (2,730) | (300,766) | (303,496) | |
| Net cash provided (used) by operating activities | (1,677,726) | (14,009) | 48,183 | 8,809 | 436,930 | (1,197,813) | (79,546) |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | | | | |
| Proceeds from borrowings, net of bond issuance costs | | | | 196,753 | | 196,753 | |
| Principal paid on revenue bonds and other borrowings | | (10,414) | | (43,560) | | (53,974) | |
| Interest paid on revenue bonds and other borrowings | | (4,096) | | (27,679) | | (31,775) | |
| Grants received | | 39,880 | | 2,572 | 190,331 | 232,783 | 34,680 |
| Transfers-in from other funds | 1,519 | | | | 23,294 | 24,813 | 449 |
| Transfers-out to other funds | (15,736) | | (32) | | (680,408) | (696,176) | (16,750) |
| Net cash provided (used) by noncapital financing activities | (14,217) | 25,370 | (32) | 128,086 | (466,783) | (327,576) | 18,379 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | | | | |
| Acquisition and construction of capital assets | | (111) | | (30) | (1,222) | (1,363) | (8,303) |
| Principal paid on capital debt | | (2) | | | | (2) | (7,779) |
| Interest paid on capital debt | | | | | | | (2,275) |
| Net cash used by capital and related financing activities | | (113) | | (30) | (1,222) | (1,365) | (18,357) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | |
| Purchase of investment securities | | | (302,900) | (185,440) | (20,274) | (508,614) | |
| Proceeds from sales and maturities of investment securities | | | 287,524 | 46,512 | 17,204 | 351,240 | |
| Proceeds from sales of securities lending collateral | | | 93,113 | | | 93,113 | |
| Cash repayments on securities lending collateral transactions | | | (93,113) | | | (93,113) | |
| Cash paid to investment managers | | | (1,649) | | | (1,649) | |
| Loan disbursements | | (200,434) | | | | (200,434) | |
| Loan repayments | | 117,892 | | | | 117,892 | |
| Interest and dividends on investments | 61,180 | 56,742 | 24,208 | 711 | 4,489 | 147,330 | 2,973 |
| Net cash provided (used) by investing activities | 61,180 | (25,800) | 7,183 | (138,217) | 1,419 | (94,235) | 2,973 |
| Net increase (decrease) in cash and cash equivalents | (1,630,763) | (14,552) | 55,334 | (1,352) | (29,656) | (1,620,989) | (76,551) |
| Cash and cash equivalents, July 1, 2008 | 1,906,668 | 430,833 | 5,998 | 64,252 | 173,487 | 2,581,238 | 173,985 |
| CASH AND CASH EQUIVALENTS, JUNE 30, 2009 | \$ 275,905 | \$ 416,281 | \$ 61,332 | \$ 62,900 | \$ 143,831 | \$ 960,249 | \$ 97,434 |
| Reconciliation of cash and cash equivalents to the Statement of Net Assets: | | | | | | | |
| Total cash and cash equivalents per Statement of Net Assets | \$ 92,790 | \$ 13,472 | \$ 2,599 | \$ 1,071 | \$ 6,345 | \$ 116,277 | \$ 17,550 |
| Add: cash equity with State Treasurer | | 402,809 | 58,733 | 7 | 137,486 | 599,035 | 79,884 |
| Add: deposits held by federal government | 183,115 | | | | | 183,115 | |
| Add: restricted cash equivalents | | | | 61,822 | | 61,822 | |
| CASH AND CASH EQUIVALENTS, JUNE 30, 2009 | \$ 275,905 | \$ 416,281 | \$ 61,332 | \$ 62,900 | \$ 143,831 | \$ 960,249 | \$ 97,434 |

State of Illinois

Statement of Cash Flows -

Proprietary Funds

For the Year Ended June 30, 2009 (Expressed in Thousands)

| | Business-type Activities - Enterprise Funds | | | | | | |
|---|---|----------------------------|-------------------------|---|---------------------------------|----------------|---|
| | Major | | | | | | |
| | Unemployment Compensation Trust Fund | Water Revolving Fund | Prepaid Tuition Fund | Designated Account Purchase Program Fund | Nonmajor Enterprise Funds | Total | Governmental Activities - Internal Service Funds |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities: | | | | | | | |
| OPERATING INCOME (LOSS) | \$ (1,840,479) | \$ 32,126 | \$ (228,650) | \$ (7,192) | \$ 466,690 | \$ (1,577,505) | \$ (26,295) |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: | | | | | | | |
| Depreciation | | 53 | | 13 | 578 | 644 | 31,662 |
| Provision for uncollectible accounts | 47,601 | | | 2,742 | 1,349 | 51,692 | 3 |
| Amortization | | | 67,775 | 3,513 | | 71,288 | |
| Interest and investment income | | (46,007) | 157,521 | (1,313) | | 110,201 | |
| Interest expense | | | | 29,903 | | 29,903 | |
| Cash receipts from other nonoperating income | | | | | | | 610 |
| Loss on settlement of loan sales | | | | (2,730) | | (2,730) | |
| Changes in assets and liabilities: | | | | | | | |
| (Increase) decrease in accounts receivable | 45,652 | | | 1,330 | (5,501) | 41,481 | 974 |
| (Increase) decrease in intergovernmental receivables | (77,028) | | | | 171 | (76,857) | (27) |
| (Increase) decrease in due from other funds | (7,373) | | | (575) | (2,987) | (10,935) | (584,801) |
| (Increase) decrease in due from component units | (94) | | | | | (94) | (7,635) |
| (Increase) decrease in loans and notes receivable | | | | (20,672) | | (20,672) | |
| (Increase) decrease in inventory | | | | | (186) | (186) | 809 |
| (Increase) decrease in prepaid expenses | | | | | (74) | (74) | 499 |
| (Increase) decrease in other assets | | | | 3 | | 3 | |
| Increase (decrease) in accounts payable and accrued liabilities | 130,586 | 7 | (222) | 415 | (31,092) | 99,694 | 326,260 |
| Increase (decrease) in intergovernmental payables | 5,086 | 1 | | | 3,977 | 9,064 | 2,668 |
| Increase (decrease) in due to other funds | 18,323 | (190) | 84 | 3,233 | 4,373 | 25,823 | 9,985 |
| Increase (decrease) in due to component units | | (28) | 13 | 151 | (37) | 99 | (990) |
| Increase (decrease) in unearned revenue | | | | | 493 | 493 | (1,377) |
| Increase (decrease) in other liabilities | | 29 | 51,662 | (12) | (824) | 50,855 | 168,109 |
| Total adjustments | 162,753 | (46,135) | 276,833 | 16,001 | (29,760) | 379,692 | (53,251) |
| NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | \$ (1,677,726) | \$ (14,009) | \$ 48,183 | \$ 8,809 | \$ 436,930 | \$ (1,197,813) | \$ (79,546) |
| NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES | | | | | | | |
| Cost of installment purchases | | | | | | | \$ 12,862 |
| Loss on disposal of capital assets | | | | | \$ (30) | \$ (30) | \$ (95) |
| Transfer of assets from (to) other state funds | \$ (7) | | | | \$ (32) | \$ (39) | \$ 7,106 |
| Increase (decrease) in fair value of investments | | | \$ (180,056) | \$ 63 | \$ 99 | \$ (179,894) | |

The accompanying notes to the financial statements are an integral part of this statement.

State of Illinois

Statement of Fiduciary Net Assets
Fiduciary Funds

June 30, 2009 (Expressed in Thousands)

| | Pension (and Other Employee Benefit) Trust Funds | Investment Trust Funds | Private-Purpose Trust Funds | Agency Funds |
|---|--|---------------------------|--------------------------------|---------------------|
| ASSETS | | | | |
| Cash equity with State Treasurer | \$ 334,744 | \$ 2,099 | \$ 1,201 | \$ 498,218 |
| Cash and cash equivalents | 600,771 | 4,249,700 | 116,559 | 53,636 |
| Securities lending collateral of State Treasurer | | | | 44,266 |
| Investments: | | | | |
| Equities | 22,191,548 | | 2,375,554 | |
| Fixed income | 10,273,176 | 857,944 | 137 | |
| Private equity | 2,344,035 | | | |
| Real estate | 3,610,874 | | | |
| Other | 4,292,722 | | | 906,488 |
| Equity in Illinois State Board of Investments | 8,684,055 | | | |
| Securities lending collateral | 5,574,895 | | | |
| Receivables, net: | | | | |
| Taxes | | | | 127,890 |
| Members | 106,597 | | | |
| Employers | 24,510 | | | |
| Investment income | 204,000 | 449 | 6,907 | |
| Intergovernmental | 6,745 | | | 318 |
| Pending investment sales | 2,349,232 | | | |
| Other | 19,131 | | 4 | 219,792 |
| Due from other funds | 66 | | | |
| Due from primary government funds | 64,289 | | | 39,548 |
| Due from component units | 1,411 | | | |
| Prepaid expenses | 6,532 | | | |
| Loans and notes receivable, net | | | 82 | |
| Other assets | | | | 186 |
| Capital assets not being depreciated | 1,675 | | | |
| Capital assets being depreciated, net | 11,197 | | | |
| Total assets | 60,702,205 | 5,110,192 | 2,500,444 | \$ 1,890,342 |
| LIABILITIES | | | | |
| Accounts payable and accrued liabilities | 177,826 | 163 | 540 | \$ 43,160 |
| Intergovernmental payables | 4 | | | 619,474 |
| Due to other funds | 66 | | | |
| Due to primary government funds | 10,327 | 460 | | |
| Due to component units | | | | 51 |
| Obligations under securities lending of State Treasurer | | | | 44,266 |
| Security lending collateral | 5,574,895 | | | |
| Payable to brokers for unsettled trades | 3,369,823 | | | |
| Depository and other liabilities | | 1,931 | 4,394 | 1,183,391 |
| Long-term obligations: | | | | |
| Due within one year | 44 | | | |
| Due subsequent to one year | 3,640 | | | |
| Total liabilities | 9,136,625 | 2,554 | 4,934 | \$ 1,890,342 |
| NET ASSETS | | | | |
| Net assets held in trust for: | | | | |
| Pension and other employee benefits | 51,565,580 | | | |
| Pool participants | | 5,107,638 | | |
| Individuals, organizations, and other governments | | | 2,495,510 | |
| Total net assets | \$ 51,565,580 | \$ 5,107,638 | \$ 2,495,510 | |

The accompanying notes to the financial statements are an integral part of this statement.

State of Illinois

Statement of Changes in Fiduciary Net Assets
Fiduciary Funds

For the Year Ended June 30, 2009 (Expressed in Thousands)

| | Pension (and Other Employee Benefit) Trust Funds | Investment Trust Funds | Private-Purpose Trust Funds |
|--|--|---------------------------|--------------------------------|
| ADDITIONS | | | |
| Deposits/Contributions: | | | |
| Employer | \$ 261,340 | | |
| State | 2,823,244 | | |
| Participants | | | \$ 2,279,804 |
| Members: | | | |
| Employees | 1,717,198 | | |
| Retirees | 161,254 | | |
| Federal Medicare Part D | 24,296 | | |
| Other contributions | 5,293 | | 10 |
| Total contributions | 4,992,625 | | 2,279,814 |
| Investment income: | | | |
| Interest and other investment income | 1,683,971 | \$ 84,682 | 34,216 |
| Net increase (decrease) in fair value of investments | (15,834,689) | 958 | (654,984) |
| Reimbursements of expenses | | | |
| not separable from investment income | 1,923 | | |
| Less investment expense | (286,920) | (4,477) | |
| Net investment income | (14,435,715) | 81,163 | (620,768) |
| Capital share and individual account transactions: | | | |
| Shares sold | | 6,240,419 | |
| Reinvested distributions | | 49,917 | |
| Shares redeemed | | (7,446,023) | |
| Net capital share and individual account transactions | | (1,155,687) | |
| Total additions | (9,443,090) | (1,074,524) | 1,659,046 |
| DEDUCTIONS | | | |
| Benefit payments | 7,002,241 | | |
| Refunds | 120,559 | | |
| Payments in accordance with trust agreements | | | 1,947,069 |
| Distribution to pool investors | | 49,917 | |
| Depreciation | 1,606 | | |
| General and administration | 46,431 | | 8,946 |
| Total deductions | 7,170,837 | 49,917 | 1,956,015 |
| Change in fiduciary net assets held in trust for: | | | |
| Pension and other employee benefits | (16,613,927) | | |
| Pool participants | | (1,124,441) | |
| Individuals, organizations, and other governments | | | (296,969) |
| Net Assets, July 1, 2008 | 68,179,507 | 6,232,079 | 2,792,479 |
| Net Assets, June 30, 2009 | \$ 51,565,580 | \$ 5,107,638 | \$ 2,495,510 |

The accompanying notes to the financial statements are an integral part of this statement.

State of Illinois

Statement of Net Assets

Component Units

June 30, 2009 (Expressed in Thousands)

| | Illinois Housing Development Authority | Toll Highway Authority | Other Authorities | Illinois State University | Northern Illinois University | Southern Illinois University | University of Illinois |
|--|--|---------------------------|----------------------|------------------------------|------------------------------------|------------------------------------|---------------------------|
| ASSETS | | | | | | | |
| Cash equity with State Treasurer | \$ 255 | \$ 337,161 | | | | | |
| Cash and cash equivalents | 6,780 | 31,855 | \$ 106,300 | \$ 15,973 | \$ 38,920 | \$ 78,637 | \$ 269,059 |
| Investments | 87,160 | | 20,549 | 107,647 | 102,271 | 283,934 | 423,873 |
| Securities lending collateral | | | | | | | 104,985 |
| Receivables, net: | | | | | | | |
| Intergovernmental | | 17,690 | 635 | | | | 82,769 |
| Other | 8,879 | 62,615 | 6,729 | 13,700 | 39,823 | 54,812 | 339,378 |
| Due from component units | | | 80,425 | 15 | | 116 | 39 |
| Due from primary government | | 69,125 | 88,375 | 33,946 | 1,008 | 52,516 | 100,074 |
| Inventories | | | | 3,333 | 3,397 | 6,672 | 30,152 |
| Prepaid expenses | | 14,631 | 102 | 2,390 | 55 | 505 | 35,222 |
| Unamortized bond issuance costs | 15,136 | 11,357 | 1,278 | 2,145 | 2,193 | 4,992 | 7,362 |
| Loans and notes receivable, net | 1,929,724 | | 31,522 | 9,946 | 9,888 | 19,183 | 61,692 |
| Restricted assets: | | | | | | | |
| Cash equity with State Treasurer | | 124,297 | 17,457 | | | | |
| Cash and cash equivalents | | 435,384 | 17,345 | 39,702 | | | 187,872 |
| Investments | 604,657 | 74,038 | 117,654 | 46,243 | | | 1,222,298 |
| Other receivables, net | 1,381 | 811 | 2,129 | | | | |
| Loans and notes receivable, net | | | 69,317 | | | | |
| Other assets | | | | | | | |
| Other assets | 6,306 | | | 1,230 | 15 | 23,660 | 24,266 |
| Capital assets not being depreciated | | 793,255 | 42,047 | 96,385 | 55,474 | 94,131 | 326,065 |
| Capital assets being depreciated, net | 28,638 | 4,059,885 | 15,457 | 268,663 | 294,838 | 555,809 | 3,016,236 |
| Total assets | 2,688,916 | 6,032,104 | 617,321 | 641,318 | 547,882 | 1,174,967 | 6,231,342 |
| LIABILITIES | | | | | | | |
| Accounts payable and accrued liabilities | 69,171 | 338,621 | 10,044 | 18,871 | 40,367 | 53,629 | 413,680 |
| Intergovernmental payables | | | | | | | |
| Due to component units | | | 26,773 | 36 | 21,046 | 18 | 32,699 |
| Due to primary government | 340,987 | | 20,930 | 340 | 371 | 126 | 16,684 |
| Unearned revenue | 1,135 | 172,286 | 19,454 | 6,489 | 18,836 | 51,611 | 147,183 |
| Securities lending collateral | | | | | | | 106,229 |
| Assets held for others | 154,946 | | | 9,635 | | 21,251 | 34,580 |
| Short-term notes payable | | | 2,994 | | 7,250 | | 7,292 |
| Other liabilities | | | 27,257 | | | 299 | |
| Long-term obligations: | | | | | | | |
| Due within one year | 104,544 | 113,480 | 26,149 | 7,928 | 10,701 | 29,571 | 342,986 |
| Due subsequent to one year | 1,442,730 | 3,302,171 | 309,500 | 143,522 | 161,672 | 375,995 | 1,787,090 |
| Total liabilities | 2,113,513 | 3,926,558 | 443,101 | 186,821 | 260,243 | 532,500 | 2,888,423 |
| NET ASSETS | | | | | | | |
| Invested in capital assets, net of related debt | (8,246) | 1,622,755 | 28,290 | 270,708 | 173,995 | 369,043 | 1,867,585 |
| Restricted for: | | | | | | | |
| Debt service | | 282,076 | 3,264 | | | 19,433 | 22,563 |
| Nonexpendable purposes | | 390 | 20,995 | 46,563 | 29,892 | 81,906 | 620,828 |
| Other expendable purposes | 501,544 | | | 32,742 | 23,703 | 64,010 | 730,057 |
| Other purposes | | | 34,049 | | | 34,343 | |
| Unrestricted | 82,105 | 200,325 | 87,622 | 104,484 | 60,049 | 73,732 | 101,886 |
| Total net assets | \$ 575,403 | \$ 2,105,546 | \$ 174,220 | \$ 454,497 | \$ 287,639 | \$ 642,467 | \$ 3,342,919 |

The accompanying notes to the financial statements are an integral part of this statement.

| Other Universities | | Total |
|--------------------|----|------------|
| | \$ | 337,416 |
| \$ 110,711 | | 658,235 |
| 10,679 | | 1,036,113 |
| | | 104,985 |
| 6,660 | | 107,754 |
| 49,786 | | 575,722 |
| 9 | | 80,604 |
| 8,315 | | 353,359 |
| 4,688 | | 48,242 |
| 1,458 | | 54,363 |
| 2,705 | | 47,168 |
| 14,821 | | 2,076,776 |
| | | 141,754 |
| 53,330 | | 733,633 |
| 72,263 | | 2,137,153 |
| 67 | | 4,388 |
| | | 69,317 |
| 1,113 | | 1,113 |
| 438 | | 55,915 |
| 110,899 | | 1,518,256 |
| 574,916 | | 8,814,442 |
| 1,022,858 | | 18,956,708 |
| | | |
| 54,444 | | 998,827 |
| 3,170 | | 3,170 |
| 32 | | 80,604 |
| 2,208 | | 381,646 |
| 18,809 | | 435,803 |
| | | 106,229 |
| 6,959 | | 227,371 |
| 1,516 | | 19,052 |
| 5,992 | | 33,548 |
| 21,021 | | 656,380 |
| 222,495 | | 7,745,175 |
| 336,646 | | 10,687,805 |
| | | |
| 526,912 | | 4,851,042 |
| 4,306 | | 331,642 |
| 51,489 | | 852,063 |
| 51,618 | | 1,403,674 |
| | | 68,392 |
| 51,887 | | 762,090 |
| \$ 686,212 | \$ | 8,268,903 |

State of Illinois**Statement of Activities****Component Units**

For the Year Ended June 30, 2009 (Expressed in Thousands)

| Functions/Programs | Expenses | Program revenues | | | Net (expense) revenue |
|--|--------------|------------------------|--|--|-----------------------------|
| | | Charges for service | Operating grants and contributions | Capital grants and contributions | |
| Authorities: | | | | | |
| Illinois Housing Development Authority | \$ 309,979 | \$ 111,227 | \$ 230,907 | | \$ 32,155 |
| Toll Highway Authority | 896,776 | 812,878 | | | (83,898) |
| Other authorities | 235,800 | 137,282 | 6,930 | \$ 830 | (90,758) |
| Universities: | | | | | |
| Illinois State University | 408,073 | 212,811 | 29,591 | 950 | (164,721) |
| Northern Illinois University | 498,120 | 248,524 | 78,655 | | (170,941) |
| Southern Illinois University | 973,306 | 437,898 | 96,642 | 7,090 | (431,676) |
| University of Illinois | 4,308,039 | 2,067,308 | 815,247 | 8,442 | (1,417,042) |
| Other universities | 827,998 | 378,495 | 116,339 | 997 | (332,167) |
| Total | \$ 8,458,091 | \$ 4,406,423 | \$ 1,374,311 | \$ 18,309 | \$ (2,659,048) |

The accompanying notes to the financial statements are an integral part of this statement.

| State appropriations | General revenues | | Additions to permanent endowments | Total general revenues and additions to permanent endowments | Change in net assets | Net assets, July 1, 2008, as restated | Net assets, June 30, 2009 |
|-------------------------|--------------------------------------|-------------------|---|--|-------------------------|---|------------------------------|
| | Interest and investment income | Other | | | | | |
| | \$ 1,253 | | | \$ 1,253 | \$ 33,408 | \$ 541,995 | \$ 575,403 |
| | 22,759 | \$ 83,081 | | 105,840 | 21,942 | 2,083,604 | 2,105,546 |
| \$ 29,809 | 7,348 | 43,392 | | 80,549 | (10,209) | 184,429 | 174,220 |
| 147,689 | (8,187) | 40,385 | \$ 1,015 | 180,902 | 16,181 | 438,316 | 454,497 |
| 178,227 | (5,996) | 1,516 | 1,273 | 175,020 | 4,079 | 283,560 | 287,639 |
| 366,020 | (15,504) | 70,899 | 3,148 | 424,563 | (7,113) | 649,580 | 642,467 |
| 1,233,103 | (302,513) | 181,571 | 43,382 | 1,155,543 | (261,499) | 3,604,418 | 3,342,919 |
| 358,907 | (9,753) | 926 | 2,235 | 352,315 | 20,148 | 666,064 | 686,212 |
| <u>\$ 2,313,755</u> | <u>\$ (310,593)</u> | <u>\$ 421,770</u> | <u>\$ 51,053</u> | <u>\$ 2,475,985</u> | <u>\$ (183,063)</u> | <u>\$ 8,451,966</u> | <u>\$ 8,268,903</u> |

Index of Notes to the Financial Statements

| | | | |
|-------------|-----------|---|------------|
| Note | 1 | Summary of Significant Accounting Policies..... | 37 |
| Note | 2 | Net Assets..... | 51 |
| Note | 3 | Deposits and Investments..... | 52 |
| Note | 4 | Taxes Receivable..... | 74 |
| Note | 5 | Interfund Balances and Activity..... | 75 |
| Note | 6 | Loans and Notes Receivable..... | 78 |
| Note | 7 | Capital Assets..... | 79 |
| Note | 8 | Changes in Long-Term Obligations..... | 84 |
| Note | 9 | General Obligation Bonds..... | 88 |
| Note | 10 | Special Obligation Bonds..... | 91 |
| Note | 11 | Revenue Bonds..... | 94 |
| Note | 12 | Notes/General Obligation Certificates Payable..... | 98 |
| Note | 13 | Other Long-Term Obligations..... | 101 |
| Note | 14 | Derivatives..... | 107 |
| Note | 15 | Refundings of Long-Term Obligations..... | 116 |
| Note | 16 | Retirement Systems..... | 117 |
| Note | 17 | Postemployment Benefits..... | 121 |
| Note | 18 | Fund Deficits..... | 124 |
| Note | 19 | Risk Management..... | 125 |
| Note | 20 | Commitments and Contingencies..... | 127 |
| Note | 21 | Segment Information..... | 132 |
| Note | 22 | Special Item..... | 134 |
| Note | 23 | Subsequent Events..... | 134 |
| Note | 24 | Contractual Violation..... | 135 |

STATE OF ILLINOIS

Notes to the Financial Statements

June 30, 2009

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the State of Illinois have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") as prescribed in pronouncements of the Governmental Accounting Standards Board ("GASB").

A. Financial Reporting Entity

The State of Illinois is a "primary government" whose financial statements consist of the primary government, organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The financial statements include all funds, elected offices, departments, and agencies as well as boards, commissions, authorities, and universities for which the State's elected officials are financially accountable. Financial accountability exists when the State's governing body appoints a majority of an organization's governing board and (1) the State can impose its will upon the organization or (2) there is a potential for the organization to provide specific financial benefit to, or impose specific financial burdens on, the State.

The State's governing body consists of the legislative, executive, and judicial branches of government. The legislative function is controlled by an elected General Assembly composed of a 59-member Senate and a 118-member House of Representatives. The executive branch consists of the Governor (the chief executive of the State), the Lieutenant Governor, the Attorney General, the Secretary of State, the Comptroller, and the Treasurer. The judicial branch is composed of a seven-member Supreme Court, five Appellate court districts, and twenty-three Circuit Court judicial districts including Cook County.

The financial statements distinguish between the "primary government" and its "component units." The State's participation in a joint venture, related organizations, and jointly governed organizations is separately disclosed below. The primary government, which consists of organizations that make up the State's legal entity, is the nucleus of the State's reporting entity. Component units are legally separate organizations for which the State is financially accountable. Complete financial statements of the individual component units can be obtained from the respective component unit's administrative offices (as listed in parentheses below).

Fiduciary Component Units

The State has two fiduciary component units that administer pension (and other employee benefit) trust funds. These entities are legally separate from the State and meet the definition of a component unit because they are fiscally dependent on the State; however, due to their fiduciary nature they are presented in the Fiduciary Fund Statements as pension (and other employee benefit) trust funds along with other primary government fiduciary funds.

1. *Teachers' Retirement System ("TRS")*. TRS is the administrator of a cost-sharing multiple-employer public employee defined benefit pension plan which provides coverage to teachers employed by public school districts in Illinois (excluding Chicago) even though most covered employees are not State employees. The State of Illinois is legally mandated to make contributions to TRS.
2. *State Universities Retirement System ("SURS")*. SURS is the administrator of a cost-sharing multiple-employer public employee defined benefit pension plan which provides coverage to faculty and staff of State universities, community colleges, and related agencies even though most covered employees are not State employees. The State of Illinois is legally mandated to make contributions to SURS.

Blended Component Unit

The following component unit is reported, as exclusion would be misleading to the State's financial statements, as though it is a part of the primary government using the blending method since it provides services primarily to benefit the State:

1. *Office of the Special Deputy Receiver ("OSD")*. The OSD acts as agent for the State of Illinois in supervising the conservation, rehabilitation, or liquidation of insurance companies. The OSD reports on a December 31 year-end. (Administrative Office: 222 Merchandise Mart Plaza, Suite 1450, Chicago, Illinois 60654).

Discretely Presented Component Units

Discretely presented component units are reported in separate columns to emphasize that they are legally separate from the State. The discretely presented component units presented below have a voting majority of their governing bodies appointed by the State.

1. *Illinois Housing Development Authority ("IHDA")*. The IHDA issues notes and bonds to make loans for the acquisition, construction, and rehabilitation of housing and to encourage home ownership. The State approves bonds and notes issued by the IHDA and is secondarily liable for its debt if there is not sufficient IHDA monies available to pay principal and interest. (Administrative Offices: 401 North Michigan Avenue, Suite 700, Chicago, Illinois 60611).
2. *Illinois State Toll Highway Authority ("THA")*. The THA operates a toll highway system to promote the public welfare and to facilitate vehicular traffic by providing convenient, safe, modern, and limited access highways within Illinois. The State substantially approves the THA's budget. The THA reports on a December 31 year-end. (Administrative Offices: 2700 Ogden Avenue, Downers Grove, Illinois 60515).
3. *Illinois Literacy Foundation ("Foundation")*. The Foundation promotes literacy among the residents of the State of Illinois by supporting literacy programs and enhancing Statewide literacy awareness. The State has the ability to appoint, hire, reassign, and dismiss those persons responsible for the day-to-day operations of the Foundation. (Administrative Offices: 100 West Randolph, Suite 5-400, Chicago, Illinois 60601).
4. *Illinois Grain Insurance Corporation ("Corporation")*. The Corporation was created for the purpose of improving the economic stability of agriculture in the State of Illinois by establishing a fund to pay grain producers and other claimants for losses incurred by the failure of a grain dealer or warehouseman. The State has the ability to remove appointed

- members of the Corporation's governing board at will. (Administrative Offices: State Fairgrounds, Springfield, Illinois 62794).
5. *Illinois Conservation Foundation ("Foundation")*. The Foundation was created to promote, support, assist, sustain, and encourage the charitable, educational, scientific, and recreational programs, projects, and policies of the Illinois Department of Natural Resources. The State has the ability to appoint, hire, reassign, and dismiss those persons responsible for the day-to-day operations of the Foundation. (Administrative Offices: Natural Resources Road, Springfield, Illinois 62701-1787).
 6. *Comprehensive Health Insurance Plan ("CHIP") Board*. The CHIP provides an alternate market for health insurance for eligible Illinois residents having a pre-existing health condition. The State substantially approves the CHIP's budget. (Administrative Offices: 320 West Washington, Suite 700, Springfield, Illinois 62701).
 7. *East St. Louis Financial Advisory Authority ("Authority")*. The Authority was created to provide a secure financial basis for and to furnish assistance to the city of East St. Louis. The State funds certain programs of the Authority. (Administrative Offices: 10 Collinsville Avenue, East St. Louis, Illinois 62201).
 8. *Illinois Finance Authority ("Authority")*. The Authority was created to foster economic development to the public and private institutions that create and retain jobs and improve the quality of life in Illinois by providing access to capital. The State approves bonds and notes issued by the Authority and is secondarily liable for its debt if there are not sufficient Authority monies to pay principal and interest. (Administrative Offices: 180 North Stetson, Suite 2555, Chicago, Illinois 60601).
 9. *Illinois Medical District Commission ("Commission")*. The Commission was created to maintain and expand a designated "medical district." The State substantially approves the Commission's budget. (Administrative Offices: 600 South Hoyne, Chicago, Illinois 60612).
 10. *Quad Cities Regional Economic Development Authority ("Authority")*. The Authority promotes economic development within the counties of Rock Island, Henry, and Mercer in the State of Illinois. The State approves bonds and notes issued by the Authority and is secondarily liable for its debt if there are not sufficient Authority monies to pay principal and interest. (Administrative Offices: 1830 Second Avenue, Suite 200, Rock Island, Illinois 61201).
 11. *Southwestern Illinois Development Authority ("Authority")*. The Authority promotes economic development within the counties of St. Clair and Madison in the State of Illinois. The State approves bonds and notes issued by the Authority and is secondarily liable for its debt if there are not sufficient Authority monies to pay principal and interest. (Administrative Offices: 1022 Eastport Plaza, Collinsville, Illinois 62234).
 12. *Southeastern Illinois Economic Development Authority ("Authority")*. The Authority promotes economic development in Fayette, Cumberland, Clark, Effingham, Jasper, Crawford, Marion, Clay, Richland, Lawrence, Jefferson, Wayne, Edwards, Wabash, Hamilton, and White counties and Irvington Township in Washington County. The State approves bonds and notes issued by the Authority and is secondarily liable for its debt if

- there are not sufficient Authority monies to pay principal and interest. (Administrative Offices: 200 Potomac Boulevard, Mt. Vernon, Illinois 62864).
13. *Upper Illinois River Valley Development Authority ("Authority")*. The Authority promotes economic development within the counties of Grundy, LaSalle, Bureau, Putnam, Kendall, Kane, McHenry, and Marshall in the State of Illinois. The State approves bonds and notes issued by the Authority and is secondarily liable for its debt if there are not sufficient Authority monies to pay principal and interest. (Administrative Offices: 633 LaSalle Street, Suite 401, Ottawa, Illinois 61350).
 14. *Boards of Trustees of Chicago State University ("CSU"), Eastern Illinois University ("EIU"), Governors State University ("GSU"), Northeastern Illinois University ("NEIU"), Western Illinois University ("WIU"), Illinois State University ("ISU"), Northern Illinois University ("NIU"), Southern Illinois University ("SIU"), and University of Illinois ("U of I") ("boards")*. The boards of the respective universities operate, manage, control, and maintain the schools. The State provides significant financial support to the boards of the universities. Certain universities have donor restricted endowments that are restricted as to spending by the donor which are detailed in their separately issued financial statements. The Uniform Management of Institutional Funds Act permits the boards to spend net appreciation of endowments as they determine to be prudent. (Administrative Offices:
 - CSU, 9501 South King Drive, Chicago, Illinois 60628
 - EIU, 600 Lincoln Avenue, Charleston, Illinois 61920
 - GSU, 1 University Parkway, University Park, Illinois 60466
 - NEIU, 5500 North St. Louis Avenue, Chicago, Illinois 60625
 - WIU, 1 University Circle, Macomb, Illinois 61455
 - ISU, Hovey Hall, Normal, Illinois 61790-1200
 - NIU, 300 Altgeld Hall, DeKalb, Illinois 60115
 - SIU, 1400 Douglas Drive, Carbondale, Illinois 61801
 - U of I, 111 East Green, Champaign, Illinois 61820).

The following component unit must obtain the State's approval for debt issuances:

1. *Will-Kankakee Regional Development Authority ("Authority")*. The Authority promotes economic development within the counties of Will and Kankakee in the State of Illinois. The State approves bonds and notes issued by the Authority and is secondarily liable for its debt if there are not sufficient Authority monies to pay principal and interest. (Administrative Offices: 116 North Chicago Street, Suite 101, Joliet, Illinois 60432).
2. *Western Illinois Economic Development Authority ("Authority")*. The Authority promotes economic development within the counties of Adams, Brown, Cass, Fulton, Hancock, Henderson, Mason, McDonough, Morgan, Pike, Scott, Schuyler, and Warren in the State of Illinois. The State approves bonds and notes issued by the Authority and is secondarily liable for its debt if there are not sufficient Authority monies to pay principal and interest (Administrative Offices: 510 North Pearl Street, Suite 600, Macomb, Illinois 61455).

Excluding the following component units from the State's financial statements would be misleading and therefore the component units are included because of the nature of the component units' relationship with the State:

1. *IMSA Fund for Advancement of Education ("IMSA Fund")*. The IMSA Fund was established for the purpose of benefiting, performing the function of, and carrying out certain charitable, educational, literary, and scientific purposes of the Illinois Mathematics and Science Academy, a primary government agency. (Administrative Offices: 1500 West Sullivan Road, Aurora, Illinois 60506-1000).
2. *Illinois Arts Council Foundation ("Foundation")*. The Foundation was established to further charitable, literary, and educational art awareness programs. (Administrative Offices: James R. Thompson Center, 100 West Randolph, Suite 10-500, Chicago, Illinois 60601-3298).

Joint Venture

The State is a participant with the states of Michigan, Minnesota, New York, Ohio, Pennsylvania, and Wisconsin in the Great Lakes Protection Fund ("Fund"), an Illinois not-for-profit corporation. The Fund is the nation's first multi-state environmental endowment and was established in 1989 for furthering Federal and State commitments to programs that restore and maintain the Great Lakes' water quality. This purpose is achieved by providing grant money for projects that promote the objectives of the regional Great Lakes Toxic Substance Control Agreement and the binational Great Lakes Water Quality Agreement.

A state becomes a member of the Fund by agreeing to contribute an amount set forth in the Articles of Incorporation. The required contribution from all member states at incorporation was \$81 million. The Fund's net assets on December 31, 2008 were \$87.240 million.

Once a state agrees to make the required contribution, that state's governor becomes a "member" of the Fund. Each member is entitled to appoint two individuals to the board of directors. Budgetary and financial decisions rest with the board of directors except where restricted by the Articles of Incorporation. Two-thirds of the Fund's income is used to finance projects compatible with the organization's objectives as set forth in the Articles of Incorporation. The remaining one-third of income is paid to member states in proportion to the amount and period of time that each state's contribution was invested with the Fund ("state shares"). Illinois received a state share for 2008 of \$37 thousand. The affirmative vote of all of the members is required for all actions of the Fund. Complete financial statements of the Fund can be obtained from the Fund's Administrative Offices at 1560 Sherman Avenue, Suite 880, Evanston, Illinois 60201.

Related Organizations and Jointly Governed Organizations

The State's officials are responsible for appointing the majority of the members of the boards of various related organizations, but the State's accountability for these organizations does not extend beyond making the appointments.

The State's officials, in conjunction with various other state and local government officials, are members of the boards of other organizations. However, the State has no ongoing financial interest or responsibility except the role of a participant in the various organizations' purpose and, in certain instances, pays annual dues or assessments.

B. Basis of Presentation

Government-wide Financial Statements

The Statement of Net Assets and the Statement of Activities display information about the State and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the State and between the State and its discretely presented component units. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The Statement of Net Assets presents the reporting entity's non-fiduciary assets and liabilities, with the difference reported as net assets. Net assets are reported in three categories:

- **Invested in capital assets, net of related debt** consists of capital assets, net of accumulated depreciation reduced by outstanding balances for bonds, notes, and other debt that are attributed to the acquisition, construction, or improvement of those assets.
- **Restricted net assets** result when constraints placed on net asset use are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through enabling legislation.
- **Unrestricted net assets** consist of net assets which do not meet the definition of the two preceding categories. Unrestricted net assets often are designated to indicate that management does not consider them to be available for general operations. They often have restrictions that are imposed by management, but can be removed or modified.

The Statement of Activities presents a comparison between direct expenses and program revenues for the different business-type activities of the State and for each function of the State's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements

The fund financial statements provide information about the State's funds, including fiduciary funds and blended component units. Separate statements for each fund category-governmental, proprietary, and fiduciary-are presented. The emphasis on fund financial statements is on the major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, generally result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, generally result from nonexchange transactions or ancillary activities.

Proprietary fund operating expenses include costs directly related to providing services and producing and delivering goods. All expenses not meeting this definition are reported as nonoperating expenses.

The State reports the following major governmental funds:

General – This is the State’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. These services include, among others, employment and economic development, education, and health and social services. Certain resources obtained from federal grants and used to support general governmental activities are accounted for in the General Fund consistent with applicable legal requirements. The State’s General Fund contains four primary sub-accounts (General Revenue, Education Assistance, Common School, and Medicaid Provider Assessment Program) with numerous secondary sub-accounts.

Road – This fund accounts for the activities of the State highway programs including highway maintenance and construction, traffic control and safety, and administering motor vehicle laws and regulations. Funding sources include federal aid, transfers from the Motor Fuel Tax Fund, and various license and fee charges.

State Construction Account – This fund accounts for the construction, reconstruction, and maintenance of the State maintained highway system. Funding sources include a portion of motor vehicle registration fees, weight taxes, and transfers from the Motor Fuel Tax Fund.

The State reports the following major proprietary funds:

Unemployment Compensation Trust – This fund accounts for the activities of the unemployment insurance program including employer contributions, Federal Unemployment Trust advances, and benefit claims.

Water Revolving – This fund accounts for the activities of a revolving loan program for local government drinking water and sewage treatment infrastructure. Certain loans receivable in the fund are restricted due to revenue bond covenants.

Prepaid Tuition Fund – This fund accounts for the net assets held by *College Illinois!*, the Illinois prepaid tuition program. The program provides Illinois families with an affordable tax-advantaged method to pay for college.

Designated Account Purchase Program – This fund accounts for the activities of the Designated Account Purchase Program including issuance of bonds and acquisition of student loans from lenders. Certain assets in the fund are restricted due to revenue bond covenants.

Additionally, the State reports the following fund types:

Governmental Fund Types:

Special Revenue – These funds account for resources obtained from specific revenue sources that are legally restricted to expenditures for specified purposes. Special revenues funds account for, among other things, federal grant programs, taxes levied with statutorily defined distributions, and other resources restricted as to purpose.

Debt Service – These funds account for governmental resources obtained and accumulated to pay interest and principal on general long-term debt (other than capital leases, installment purchases, workers' compensation, and unfunded retirement benefit costs).

Capital Projects – These funds account for resources obtained and used for the acquisition or construction of major capital facilities. Such resources are derived principally from proceeds of general and special obligation bond issues and certificates of participation.

Permanent – This fund accounts for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that benefit the government or its citizens.

Proprietary Fund Types:

Enterprise – These funds account for operations where the intent of the State is that the cost of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Internal Service – These funds account for data processing, printing, fleet management, telecommunications, professional services, workers' compensation claims, medical and dental benefits for State employees, and other services provided to agencies of the State on a reimbursement basis.

Fiduciary Fund Types:

Pension (and Other Employee Benefit) Trust – These funds account for resources that are required to be held in trust for the members and beneficiaries of the State's five Public Employee Retirement Systems, the State's Deferred Compensation Plan Fund, and the health insurance postemployment benefit plans for community colleges and for local school districts, excluding Chicago, administered by the State.

Investment Trust – These funds (the Public Treasurer's Investment Pool and the Deferred Lottery Prize Winners Trust Fund) account for the external portion of investment pools sponsored by the State.

Private-Purpose Trust – These funds account for resources legally held in trust for use by individuals in the State's qualified tuition program under Section 529 of the Internal Revenue Code and other amounts held for individuals, private organizations, and other governments. There is no requirement that any portion of these resources be preserved as capital.

Agency – These funds account for collections of child support payments, sales and telecommunications taxes assessed by local governments but collected by the State, and other deposits, deductions, and property collected by the State, acting in the capacity of an agent, for distribution to other governmental units or designated beneficiaries.

Component Units

The component statements provide aggregate information about the State's discretely presented component units, emphasizing major component units. The State's major component units are the Illinois Housing Development Authority, the Illinois State Toll Highway Authority, Illinois

State University, Northern Illinois University, Southern Illinois University, and the University of Illinois.

C. Measurement Focus and Basis of Accounting

Government-wide, Proprietary Fund, Fiduciary Fund, and Component Unit Financial Statements

The government-wide, proprietary fund, fiduciary fund, and component unit financial statements are reported using the economic resources measurement focus (except for agency funds which do not have a measurement focus) and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place. Nonexchange transactions, in which the State gives (or receives) value without directly receiving (or giving) equal value in exchange, include income taxes, excise taxes, wealth taxes, grants, entitlements, and donations. On an accrual basis, revenues from self assessed taxes, principally income, excise, and wealth taxes, are recognized in the fiscal year in which the underlying exchange transaction occurs. Revenue from grants, entitlements, and similar items are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been met.

Governmental Fund Financial Statements

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the State considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures generally are recorded when the liability is incurred, as under accrual accounting. However, principal and interest on formal debt issues, claims and judgments, and compensated absences are recorded only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of formal debt issues and acquisitions under capital leases and installment purchases are reported as other financing sources.

Significant revenue sources which are susceptible to accrual include individual and corporate income taxes, sales taxes, public utility taxes, motor fuel taxes, and interest income. The tax revenues are recorded by the State as taxpayers earn income (individual income tax, corporate income tax, and other taxes), as sales are made (sales taxes, public utility taxes, motor fuel taxes, and other taxes), or as the taxable event occurs (other taxes) net of estimated overpayments and amounts not expected to be collected. All other revenue sources including fines, penalties, licenses, and other miscellaneous revenues are considered to be measurable and available only when cash is received.

Private-Sector Standards

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. The State also has the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The State generally has elected not to follow subsequent private-sector guidance.

D. Eliminations

Eliminations have been made in the government-wide statement of net assets to minimize the “grossing-up” effect on assets and liabilities within the governmental and business-type activities columns of the primary government. As a result, amounts reported in the funds as interfund receivables and payables have been eliminated in the governmental and business-type activities columns of the statement of net assets, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances. Amounts reported in the funds as receivable from or payable to fiduciary funds have been included in the statement of net assets as receivable from and payable to external parties, rather than as internal balances.

Eliminations have been made in the statement of activities to remove the “doubling-up” effect of internal service fund activity. The effect of similar internal events that are, in effect, allocations of overhead expenses from one function to another or within the same function also have been eliminated, so that the allocated expenses are reported only by the function to which they were allocated.

E. Cash Equivalents

Cash equivalents are defined as short-term, highly liquid investments readily convertible to cash with maturities of 90 days or less at time of purchase. Cash equivalents consist principally of certificates of deposit, repurchase agreements, and U.S. treasury bills and are stated at cost.

F. Investments

Investments are reported at fair value. Generally, the marketable securities are valued at closing prices listed on national securities exchanges and quotes from independent pricing services as of June 30. Real estate and venture capital are valued based upon appraisals and discounted cash flow analysis.

The Illinois Public Treasurers’ Investment Pool, known as The Illinois Funds, operates as a 2a7-like pool and thus reports all investments at amortized cost rather than market value. The fair value of the pool is the same as the value of the pool shares. The Treasurer’s investment policies are governed by State statute. In addition, the Treasurer’s Office has adopted its own investment practices that supplement the statutory requirement. The Treasurer’s Office issues a separate financial report for The Illinois Funds which may be obtained by contacting the Administrative Office at Illinois Business Center, 400 West Monroe Street, Suite 401, Springfield, Illinois 62704.

The State’s financial statements contain certain investments that meet the definition of “derivatives.” Derivative investments included in the pension trust funds are described in more detail in Note 3.

G. Inventories and Prepaid Expenditures

Inventory is generally reported on the financial statements at moving-average cost. For governmental funds, the State recognizes the costs of material inventories as expenditures when purchased. The inventory amounts reported in the governmental funds do not reflect current appropriable resources, and therefore, the State reserves an equivalent portion of the balance.

For governmental funds, prepaid expenditures are recognized when paid.

H. Interfund Transactions

The State has the following types of interfund transactions:

Interfund Loans – amounts provided with a requirement for repayment, which are reported as interfund receivables in lender funds and interfund payables in borrower funds. When interfund loan repayments are not expected within a reasonable time, the interfund balances are reduced and the amount that is not expected to be repaid is reported as a transfer from the fund that made the loan to the fund that received the loan.

Services provided and used - sales and purchases of goods and services between funds for a price approximating their external exchange value. Interfund services provided and used are reported as revenues in seller funds and expenditures or expenses in purchaser funds. Unpaid amounts at year-end are reported as interfund receivables and payables in the fund balance sheets or fund statements of net assets.

Reimbursements - repayments from the funds responsible for particular expenditures or expenses to the funds that initially paid for them. Reimbursements are reported as expenditures in the reimbursing fund and as a reduction of expenditures in the reimbursed fund.

Transfers - flows of assets (such as cash or goods) between funds without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers. In proprietary funds, transfers are reported after nonoperating revenues and expenses.

I. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure, are reported at cost or estimated historical cost based on appraisals or deflated current replacement costs. Contributed assets are reported at estimated fair value at the time received.

Capitalization thresholds of the primary government generally are as follows:

| Table 1-1 (amounts expressed in thousands) | |
|--|--------------------------|
| Capital Asset Category | Capitalization Threshold |
| Infrastructure | \$ 250 |
| Land | 100 |
| Land Improvements | 25 |
| Site Improvements | 25 |
| Buildings | 100 |
| Building Improvements | 25 |
| Equipment | 5 |
| Works of Art and Historical Treasures | 5 |

Certain component units, however, may have adopted different capitalization thresholds. These thresholds can be obtained from their separately issued financial statements.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's estimated useful life are not capitalized.

Major capital outlays for capital assets and improvements are capitalized as project costs are incurred. Interest incurred during the construction phase of capital assets used in business-type activities is included as part of the capitalized value of the assets constructed.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

| Table 1-2 | |
|---------------------------------------|-----------------------------------|
| Capital Asset Category | Estimated Useful Lives (In Years) |
| Infrastructure | 5-50 |
| Land | N/A |
| Land Improvements | N/A |
| Site Improvements | 3-50 |
| Buildings | 10-60 |
| Building Improvements | 10-45 |
| Equipment | 3-25 |
| Works of Art and Historical Treasures | 5-7 |

The State and the University of Illinois, a major component unit, do not capitalize certain collections of works of art or historical treasures held for public exhibition, education, or research in furtherance of public service rather than capital gain. These collections are protected, kept unencumbered, cared for, and preserved. Proceeds from the sale, exchange, or other disposal of any item belonging to non-capitalized collections of works of art or historical treasures for the State and the University of Illinois must be applied to the acquisition of additional items for the same collection.

J. Retirement Costs

Substantially all State employees, including members of the General Assembly and Judicial Branch, participate in one of three State public employee retirement systems (see Note 16). The State also maintains and funds public employee retirement systems for employees of the various State supported universities and community colleges and for public school teachers in cities other than Chicago. It is the State's policy to fund retirement costs without regard to amounts calculated under the actuarial requirements. Except for in fiscal year 2004 when the State contributed the majority of the proceeds from a \$10 billion general obligation bond, the State's contributions have been less than the retirement benefits paid during the year for the last twenty-eight fiscal years. Prior to fiscal year 1982, the State had funded the retirement costs at a level at least as great as the retirement benefits paid during the year.

Annual pension cost is recorded as an expense in the government-wide statement of activities and is comprised of the State's annual required contribution ("ARC"), which equals normal cost plus interest on unfunded prior service costs and amortization of prior service costs over thirty years,

one year's interest on the net pension obligation, and an adjustment to the ARC to offset the effect of actuarial amortization of past under or over contributions.

K. Capital Appreciation ("deep-discount") Bonds

Capital appreciation bonds are those bonds that are issued at stated interest rates significantly below their effective interest rate, resulting in a substantial discount. The implicit interest (i.e., discount) is not paid until the bonds mature. Therefore, the net value of the bonds "accrete" (i.e., the discount is reduced) over the life of the bonds. Capital appreciation bonds are reported in the government-wide statement of net assets at their accreted value.

L. Compensated Absences

The liability for compensated absences reported in the government-wide, proprietary, and fiduciary fund financial statements consists of unpaid, accumulated vacation and sick leave balances. A liability for these amounts is reported in governmental funds only if the liability has matured, for example, as a result of employee resignations and retirements. The liability has been calculated using the vesting method, in which leave amounts for both employees who are currently eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments are included. The liability has been calculated based on the employees' current salary level and includes salary related costs (e.g., social security and Medicare tax).

Legislation that became effective January 1, 1998 capped the paid sick leave for all State Employees' Retirement System members at December 31, 1997. Employees continue to accrue twelve sick days per year, but will not receive monetary compensation for any additional time earned after December 31, 1997.

Sick days earned between 1984 and December 31, 1997 (with a 50% cash value) would only be used after all days with no cash value are depleted. Any sick days earned and unused after December 31, 1997 will be converted to service time for purposes of calculating employee pension benefits.

Component unit financial statements also include a liability amount for compensated absences. However, they may have adopted different compensated absences policies. These policies can be obtained from their separately issued financial statements.

M. Bond Premiums, Discounts, and Issuance Costs

In the government-wide and proprietary fund financial statements, bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the bonds outstanding method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

N. Advance Refundings of Debt

In the government-wide and proprietary fund financial statements, gains and losses from advance refundings of debt resulting in defeasance are deferred and amortized as a component of interest expense over the shorter of the remaining life of the old debt or the life of the new debt using the effective interest method. Bonds payable are reported net of these deferred gains and losses.

O. Pollution Remediation Obligations

In the government-wide financial statements, pollution remediation obligations are reported at the current value of expected outlays to fund remediation costs using the expected cash flows technique. This technique measures the sum of probability-weighted amounts in a range of possible estimated amounts and uses all expectations about possible cash flows on a site-specific basis. Such ranges are weighted within “most likely”, “worst case”, and/or “best case” scenarios and are based on actual remediation cost experience, remediation cost estimates, and/or discrete cost remediation treatment possibilities. All reported obligation amounts are estimates and are subject to change resulting from price increases or reductions, technology, or changes in applicable laws or regulations. In cases where remediation activities beyond site investigation/assessment or feasibility studies have not begun, remaining remediation costs are not reasonably estimable and liabilities for such cases are not reported.

P. Net Assets/Fund Balances

The difference between fund assets and liabilities is “Net Assets” on government-wide, proprietary fund, and fiduciary fund financial statements and “Fund Balance” on governmental fund financial statements.

Fund balances of governmental funds that are legally restricted to a specific future use or that are not available for appropriation or expenditure are reported as reservations of fund balance.

When both unrestricted and restricted net assets or unreserved and reserved fund balances are available for use, the State uses restricted net assets or reserved fund balances first.

Q. Endowments

For donor restricted endowments, the Uniform Prudent Management of Institutional Funds Act, as adopted by the State of Illinois, permits the State and its component units to appropriate an amount of realized and unrealized endowment appreciation as determined to be prudent. The State and its component units’ policy is to retain the realized and unrealized appreciation within the endowment after spending rule distributions. Amounts available for expenditure are reported as reserved fund balances in governmental fund financial statements and as expendable restricted net assets held as permanent investments on government-wide, proprietary fund, and fiduciary fund financial statements.

R. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

S. New Accounting Pronouncements

Effective for the year ending June 30, 2009, the State adopted GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, which establishes standards of accounting and financial reporting for pollution remediation obligations which are obligations to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities. The standard excludes pollution prevention or control obligations with respect to current operations and future pollution remediation activities that are required upon retirement of an asset. The implementation of the provisions of the Statement had no impact to the financial statements as the State had previously recorded a contingent liability for pollution remediation obligations.

Also effective for the year ending June 30, 2009, the State adopted GASB Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments*, which establishes accounting and financial reporting for land and other real estate held as investments by endowments. The implementation of the provisions of the Statement required a restatement for the University of Illinois, a major component unit of the State, to record land held as investments at fair value.

T. Future Adoption of GASB Statements

Effective for the year ending June 30, 2010, the State will adopt GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, which establishes standards of accounting and financial reporting for intangible assets. The State has not yet determined the impact on the State's financial statements as a result of adopting this statement.

Also effective for the year ending June 30, 2010, the State will adopt GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, which establishes standards of accounting and financial reporting for certain derivative instruments. The State has not yet determined the impact on the State's financial statements as a result of adopting this statement.

2 NET ASSETS

A. Restatements

As shown in Table 2-1, the financial statements have been restated as of July 1, 2008 for the following prior reporting errors:

Governmental Activities

- Understatement of amounts due to the Workers' Compensation Revolving Fund underestimating the amount of claims.

Component Units

- Understatement of construction in progress due to incorrect calculation of construction period interest at the Toll Highway Authority.
- Overstatement of a component unit's net assets and overstatement of assets held in charitable remainder trusts by a component unit of Southern Illinois University.
- Understatement of component unit's net assets and overstatement of assets held in charitable remainder trusts at a component unit of the University of Illinois.
- Understatement of assets held in charitable remainder trusts at a component unit of Western Illinois University.

In addition, the financial statements have been restated as of July 1, 2008 for the implementation of the following accounting standards:

- GASB Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments*.

Table 2-1 (amounts expressed in thousands)

| | Governmental Activities | | | Component Units | | | |
|---|-------------------------|-------------------|-------------------------|------------------------|------------------------------|------------------------|-----------------------------|
| | Governmental Funds | | | Major Component Units | | | Nonmajor Component Units |
| | General | Road Fund | Governmental Activities | Toll Highway Authority | Southern Illinois University | University of Illinois | Western Illinois University |
| | | | | | | | |
| Fund Balance/Net Assets, June 30, 2008, as previously reported | \$ (3,934,321) | \$ 255,420 | \$ (24,421,810) | \$ 2,009,725 | \$ 656,941 | \$ 3,571,139 | \$ 150,189 |
| Corrections of Prior Errors | | | | | | | |
| Understatement of reimbursement of Workers' Compensation Revolving Fund | (101,099) | (23,714) | (124,813) | -- | -- | -- | -- |
| Construction period interest | -- | -- | -- | 73,879 | -- | -- | -- |
| Overstatement/(understatement) of component unit net assets | -- | -- | -- | -- | (4,317) | 3,652 | -- |
| Exclusion (inclusion) of charitable remainder trust agreements | -- | -- | -- | -- | (3,044) | (8,591) | 1,437 |
| Implementation of New Accounting Standards | | | | | | | |
| Implementation of GASB Statement No. 52 | -- | -- | -- | -- | -- | 38,218 | -- |
| Fund Balance/Net Assets, June 30, 2008, as restated | <u>\$ (4,035,420)</u> | <u>\$ 231,706</u> | <u>\$ (24,546,623)</u> | <u>\$ 2,083,604</u> | <u>\$ 649,580</u> | <u>\$ 3,604,418</u> | <u>\$ 151,626</u> |

B. Net Assets Restricted by Enabling Legislation

The government-wide statement of net assets reports \$3.730 billion of restricted net assets, of which \$3.300 billion is restricted by enabling legislation.

3 DEPOSITS AND INVESTMENTS

The State Treasurer is the custodian of the State's deposits and investments for most funds and maintains these deposits and investments in the State Treasury. The investment authority and guidelines for the Treasurer's published investment policy for the State Treasury is found in Section 22.8 of the Deposit of State Moneys Act (15 ILCS 520). The pooling of cash allows the Treasurer to invest monies not needed to pay immediate obligations so that investment earnings on available cash are maximized. Investments of the State Treasury are not segregated by fund; rather, each contributing fund's balance is treated as equity in the State Treasury. Accordingly, the State Treasury is not reported as a separate fund in this report. Instead, each State fund's and each component unit's balance in the State Treasury is presented as "Cash equity with State Treasurer". Investments held by the State Treasurer in the State Treasury at June 30, 2009, consisted of the following:

| Table 3-1 (amounts expressed in thousands) | |
|--|---------------------|
| Investment Type | Fair Value |
| Repurchase agreements | \$ 750,886 |
| U.S. Agency obligations | 1,057,767 |
| Commercial paper | 1,399,204 |
| Corporate debt securities | 20,000 |
| Money market mutual funds | 3,053,447 |
| Private equity | 18,689 |
| Equity in Public Treasurers' Investment Pool | 1,017,511 |
| Equity in other investment pools | 579 |
| Securities lending collateral: | |
| Invested in repurchase agreements | 961,058 |
| Invested in cash | 499 |
| Total fair value | <u>\$ 8,279,640</u> |

Funds maintained outside the State Treasury have independent statutory authority to manage their own deposits and investments. The investment authority of the Illinois State Board of Investment ("ISBI"), Teachers' Retirement System ("TRS"), and State Universities Retirement System ("SURS") is governed by the Illinois Pension Code (40 ILCS 5). Authorized investments consist of bonds, equities, real estate, venture capital, and other activities to be made with the care, skill, prudence, and diligence which a prudent person acting in a like capacity and familiar with such matters would use in the conduct of investing similar retirement trusts. ISBI, TRS, and SURS each have published investment policies incorporating these guidelines. Primary government investments held outside of the State Treasury at June 30, 2009, except for investments held by ISBI, TRS, and SURS, consisted of the following:

| Table 3-2 (amounts expressed in thousands) | |
|--|----------------------|
| Investment Type | Fair Value |
| Repurchase agreements | \$ 9,005 |
| Negotiable certificates of deposit | 479 |
| U.S. Treasury obligations | 1,218,068 |
| U.S. Agency obligations | 286,663 |
| Municipal debt | 174,976 |
| Annuities | 2,399 |
| Corporate debt securities | 249,218 |
| Debt mutual funds | 1,034,465 |
| Equity in Public Treasurers' Investment Pool | 4,729,138 |
| Equity in other investment pools | 4,699 |
| Money market mutual funds | 396,813 |
| Equity securities | 387,671 |
| Equity mutual funds | 2,729,820 |
| Blended mutual funds | 189,579 |
| Guaranteed investment contracts | 682,136 |
| Securities lending collateral | 72,331 |
| Equity trust funds | 92,072 |
| Other | 18,244 |
| Total fair value | <u>\$ 12,277,776</u> |

The ISBI is considered to be an internal investment pool of the State of Illinois, operating solely from investment income. The ISBI manages and invests the pension assets of three separate public employee retirement systems: General Assembly Retirement System, the Judges' Retirement System of Illinois, and State Employees' Retirement System of Illinois. The ISBI's

member systems retain all of the cash necessary for current operating expenditures in the State Treasury. The amount of cash received by the ISBI's member systems in excess of their current operating expenditures is transferred to the ISBI for purposes of long-term investment. The ISBI is not reported as a separate fund in this report. Instead, each member system's balance in the ISBI is presented as "Equity in the Illinois State Board of Investments". The ISBI has approximately \$63.664 million in deposits and investments greater than the member systems equity due to net investment liabilities of the ISBI.

Investments held by ISBI at June 30, 2009, consisted of the following:

| Investment Type | Fair Value |
|------------------------------------|---------------------|
| U.S. Treasury obligations | \$ 75,530 |
| U.S. Agency obligations | 589,489 |
| Corporate obligations | 701,285 |
| Common stock and equity funds | 2,757,206 |
| Preferred stock | 334 |
| Foreign equity securities | 1,335,607 |
| Commingled funds | 335,484 |
| Hedge funds | 880,939 |
| Real estate | 875,930 |
| Private equity | 450,492 |
| Money market instruments | 235,126 |
| Infrastructure funds | 305,970 |
| Bank loans | 197,259 |
| Forward foreign currency contracts | (5,594) |
| Total Investments | \$ 8,735,057 |

CUSTODIAL CREDIT RISK

Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party.

Deposits

Primary Government:

In accordance with Section 6 of the Public Funds Investment Act (30 ILCS 235), uncollateralized and uninsured deposits may not exceed 75% of the capital stock and surplus of a bank, 75% of the net worth of a savings and loan association or 50% of the unimpaired capital and surplus of a credit union.

The carrying amount and bank balance of cash deposits held by the State Treasury was \$1.178 billion and \$1.177 billion at June 30, 2009, respectively. Of the total bank balance of these cash deposits at June 30, 2009, \$1.259 million was uninsured and uncollateralized.

The carrying amount and bank balance of cash deposits held outside of the State Treasury, except for investments held by ISBI, TRS, and SURS, was \$242.636 million and \$188.733 million at June 30, 2009, respectively. Of the total bank balance of these cash deposits at June 30, 2009, \$1.726 million was uninsured with collateral held by the pledging financial institution in the State's name, \$10.923 million was uninsured with collateral held by the pledging financial institution but not in the State's name and \$4.848 million was uninsured and uncollateralized.

ISBI's policy outlines the control procedures used to monitor custodial credit risk for deposits. These deposits are under the custody of State Street Bank and Trust. State Street Bank and Trust has an AA Long-term Deposit/Debt rating by Standard and Poor's and an Aa2 rating by Moody's. The carrying amount and bank balance of ISBI's cash deposits at June 30, 2009, was \$12.662 million and \$12.625 million, respectively.

TRS's foreign currency held by investment managers at June 30, 2009 totaled \$35.797 million, all of which was uninsured and uncollateralized.

SURS's cash held in its investment related bank account in excess of \$250,000 is uninsured and uncollateralized. SURS has no deposit policy for custodial credit risk. Deposits are under the custody of the Northern Trust Company which has an AA Long-term Deposit/Debt rating by Standard and Poor's and an Aa3 rating by Moody's. At June 30, 2009, the carrying amount was \$268.310 million and the bank balance was \$272.027 million, of which \$14.306 million was uninsured and uncollateralized.

Investments

Primary Government:

The State does not have a formal policy for custodial credit risk of investments held outside of the State Treasury. The following table summarizes the primary government investments held outside of the State Treasury, except for investments held by ISBI, TRS, and SURS, that were subject to custodial credit risk at June 30, 2009:

| Table 3-4 (amounts expressed in thousands) | |
|---|-------------------|
| <u>Investment Type</u> | <u>Fair Value</u> |
| Uninsured and unregistered with securities held by counterparties | |
| U.S. Agency obligations | \$ 52 |
| Annuities | 1,433 |

As of June 30, 2009, the following investments were uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in ISBI's name:

| Table 3-5 (amounts expressed in thousands) | |
|--|-------------------|
| <u>Investment Type</u> | <u>Fair Value</u> |
| ISBI: | |
| Common stock | \$ 2,530 |
| U.S. government and agency obligations | 7,847 |
| Total | <u>\$ 10,377</u> |

CREDIT RISK

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

Primary Government:

Section 2 of the Public Funds Investment Act limits the State's investments, both inside and outside the State Treasury, to securities of the U.S. government or its agencies, short-term obligations of domestic corporations exceeding \$500 million in assets that are rated in the three highest categories by at least two nationally recognized statistical ratings organizations not to exceed ten percent of the domestic corporations outstanding obligations, money market mutual funds invested in the U.S. government and/or its agencies, and repurchase agreements securities of the U.S. government or its agencies or money market mutual funds invested in the U.S. government or its agencies. Additional investments may be authorized in certain funds as exceptions to Section 2 of the Public Funds Investment Act pursuant to State statute prescribing the activities of a fund. The following table summarizes the Moody's credit quality ratings for debt securities held by the State Treasurer in the State Treasury at June 30, 2009:

Table 3-6 (amounts expressed in thousands)

| Investment Type | Aaa | A | P-1 | Not Rated | Total |
|---|---------------------|------------------|---------------------|----------------------|---------------------|
| Repurchase agreements | \$ -- | \$ -- | \$ 750,886 | \$ -- | \$ 750,886 |
| U.S. Agency obligations | 942,807 | -- | 114,960 | -- | 1,057,767 |
| Commercial paper | -- | -- | 1,399,204 | -- | 1,399,204 |
| Corporate debt securities | -- | 10,000 | -- | 10,000 * | 20,000 |
| Money market mutual funds | 3,044,353 | -- | -- | 9,094 | 3,053,447 |
| Equity in Public Treasurers' Investment Pool | -- | -- | -- | 1,017,511 ** | 1,017,511 |
| Equity in other investment pools | -- | -- | -- | 579 | 579 |
| Securities lending collateral: Invested in repurchase agreements | -- | -- | 961,058 | -- | 961,058 |
| Total fixed income securities | \$ 3,987,160 | \$ 10,000 | \$ 3,226,108 | \$ 1,037,184 | \$ 8,260,452 |

* \$10,000 of corporate debt securities are rated A-1 by Standard and Poor's.
 ** Equity in Public Treasurers' Investment Pool was rated AAA by Standard and Poor's.

The following table summarizes the Moody's credit quality ratings for debt securities held by the primary government, except for debt securities held by ISBI, TRS, and SURS, outside of the State Treasury at June 30, 2009:

Table 3-7 (amounts expressed in thousands)

| Investment Type | Aaa | Aa | A | Baa | Ba | Caa | Not Rated* | Total |
|---|------------------|------------------|-----------------|-----------------|---------------|---------------|--------------------|--------------------|
| Negotiable certificates of deposit | \$ - | \$ -- | \$ -- | \$ -- | \$ -- | \$ -- | \$ 479 | \$ 479 |
| U.S. Agency obligations | 286,152 | | | 471 | -- | -- | 40 | 286,663 |
| Municipal debt | 50,202 | 94,730 | 28,831 | 553 | -- | -- | 660 | 174,976 |
| Corporate debt securities | 128,935 | 22,250 | 62,456 | 32,770 | 536 | 580 | 1,691 | 249,218 |
| Mutual funds | 36,983 | 127,711 | -- | -- | -- | -- | 869,771 | 1,034,465 |
| Equity in Public Treasurers' Investment Pool | -- | -- | -- | -- | -- | -- | 4,729,138 | 4,729,138 |
| Equity in other investment pools | -- | -- | -- | -- | -- | -- | 4,699 | 4,699 |
| Money market mutual funds | -- | -- | -- | -- | -- | -- | 396,813 | 396,813 |
| Total subject to credit risk | \$502,272 | \$244,691 | \$91,287 | \$33,794 | \$ 536 | \$ 580 | \$6,003,291 | 6,876,451 |
| U.S. Treasury obligations | | | | | | | | 1,218,068 |
| Repurchase agreements backed by U.S. Treasury obligations | | | | | | | | 9,005 |
| Total fixed income securities | | | | | | | | \$8,103,524 |

* \$305.430, \$312.468 and \$17.662 million of mutual funds were rated AAA, AA, and A, respectively, by Standard and Poor's.

All of the Equity in Public Treasurer's Investment Pool amounts were rated AAA by Standard and Poor's.

\$180.138 and \$68.789 million of money market mutual funds were rated AAA and AA, respectively, by Standard and Poor's.

The portfolios of ISBI, TRS, and SURS are managed by professional investment management firms. Each investment manager must comply with risk management guidelines individually assigned to them as part of their Investment Management Agreement. With the exception of certain commingled funds, bonds below B- are not permissible in any of the fixed income investment manager guidelines. However, in circumstances where position downgrades occur, investment managers have been given permission to hold securities due to circumstances such as a higher peer group rating from another nationally recognized statistical rating organization, firm internal ratings, or other mitigating factors.

The following table summarizes the Moody's credit quality ratings for debt securities held by ISBI at June 30, 2009:

Table 3-8 (amounts expressed in thousands)

| Quality Rating | Corporate Debt Obligations | U.S. Agency Obligations | Total |
|--------------------------------------|----------------------------|-------------------------|---------------------|
| Aaa | \$ 46,173 | \$ 577,489 | \$ 623,662 |
| Aa | 60,273 | 12,000 | 72,273 |
| A | 209,758 | -- | 209,758 |
| Baa | 101,310 | -- | 101,310 |
| Ba | 90,325 | -- | 90,325 |
| B | 139,970 | -- | 139,970 |
| Caa | 41,550 | -- | 41,550 |
| Ca | 977 | -- | 977 |
| C | 604 | -- | 604 |
| Not rated | 10,345 | -- | 10,345 |
| Total subject to credit risk | \$ 701,285 | \$ 589,489 | 1,290,774 |
| U.S. Treasury obligations | | | 75,530 |
| Total fixed income securities | | | \$ 1,366,304 |

The following table summarizes the Moody's credit quality ratings for debt securities held by TRS at June 30, 2009:

Table 3-9 (amounts expressed in thousands)

| Quality Rating | Corporate Debt Obligations | Foreign Debt Obligations | U.S. Agency Obligations | Municipal Obligations | Short-term Investments | Commingled Funds | Securities Lending | Total |
|--|----------------------------|--------------------------|-------------------------|-----------------------|------------------------|------------------|--------------------|---------------------|
| Aaa | \$ 578,718 | \$ 296,565 | \$ 2,064,284 | \$ 62 | \$ -- | \$ -- | \$ -- | \$ 2,939,629 |
| Aa | 238,417 | 97,475 | -- | 41,580 | -- | -- | 99,952 | 477,424 |
| A | 740,549 | 109,004 | -- | 7,470 | -- | -- | 141,697 | 998,720 |
| Baa | 926,548 | 73,434 | -- | 6,866 | -- | -- | -- | 1,006,848 |
| Ba | 226,133 | 66,098 | -- | -- | -- | 1,713 | -- | 293,944 |
| B | 133,034 | 1,804 | -- | -- | -- | 47,944 | -- | 182,782 |
| Caa | 134,087 | -- | -- | -- | -- | -- | -- | 134,087 |
| Ca | 22,629 | -- | -- | -- | -- | -- | -- | 22,629 |
| C | 1,004 | -- | -- | -- | -- | -- | -- | 1,004 |
| P-1 | -- | -- | -- | -- | 6,000 | -- | -- | 6,000 |
| Not rated | 70,994 | 20,425 | 4,450 | 36 | -- | 35,744 | -- | 131,649 |
| Total subject to credit risk | \$ 3,072,113 | \$ 664,805 | \$ 2,068,734 | \$ 56,014 | \$ 6,000 | \$ 85,401 | \$ 241,649 | 6,194,716 |
| U.S. Treasury obligations | | | | | | | | 300,376 |
| U.S. Agency obligations explicitly guaranteed by U.S. government | | | | | | | | 126,726 |
| Less cash equivalents | | | | | | | | (10,643) |
| Total fixed income securities | | | | | | | | \$ 6,611,175 |

The following table summarizes the Standard and Poor's credit quality ratings for debt securities held by SURS at June 30, 2009:

Table 3-10 (amounts expressed in thousands)

| Quality Rating | Corporate Debt Securities | Foreign Debt Securities | U.S. Agency Obligations | Municipal Obligations | Total |
|--|---------------------------|-------------------------|-------------------------|-----------------------|---------------------|
| AAA | \$ 465,563 | \$ 23,367 | \$ 1,211,066 | \$ 1,828 | \$ 1,701,824 |
| AA | 172,259 | 6,007 | 1,794 | 23,778 | 203,838 |
| A | 450,675 | 797 | 13,024 | 4,353 | 468,849 |
| BBB | 325,470 | 801 | -- | 1,609 | 327,880 |
| BB | 62,077 | -- | -- | -- | 62,077 |
| B | 31,718 | -- | -- | -- | 31,718 |
| CCC | 57,097 | 416 | -- | -- | 57,513 |
| CC | 7,477 | -- | -- | -- | 7,477 |
| C | 1,404 | -- | -- | -- | 1,404 |
| D | 793 | -- | -- | -- | 793 |
| Not rated | 468,025 | 13,338 | -- | -- | 481,363 |
| Total subject to credit risk | \$ 2,042,558 | \$ 44,726 | \$ 1,225,884 | \$ 31,568 | 3,344,736 |
| U.S. Treasury obligations | | | | | 440,687 |
| U.S. Agency obligations explicitly guaranteed by U.S. government | | | | | 119,532 |
| SMP fixed income | | | | | 12,063 |
| Less cash equivalents | | | | | (275,349) |
| Total fixed income securities | | | | | \$ 3,641,669 |

INTEREST RATE RISK

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

Primary Government:

As a means of limiting its exposure to fair value losses arising from rising interest rates, the State Treasurer's investment policy for the State Treasury limits investments to maturities not to exceed five years with the majority required to be in authorized investments with less than one-year maturity. In addition, no more than 10% of the investment portfolio shall be allocated to investments with a 2 to 4 year maturity band and no more than 10% of the investment portfolio shall be allocated to investments with a 4 to 5 year maturity band. For funds held outside of the State Treasury, excluding pension (and other employee benefit) trust funds, there is no formal policy limiting investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates.

The following table summarizes the segmented time distribution of the debt securities held by the State Treasurer in the State Treasury at June 30, 2009:

Table 3-11 (amounts expressed in thousands)

| Investment Type | Fair Value | Less Than 1 Year | 2 to 3 Years | 4 to 5 Years | 6 to 10 Years | More Than 10 Years |
|--|--------------------|-------------------------|---------------------|---------------------|----------------------|---------------------------|
| Repurchase agreements | \$ 750,886 | \$ 750,886 | \$ -- | \$ -- | \$ -- | \$ -- |
| U.S. Agency obligations | 1,057,767 | 114,960 | 711,516 | 231,291 | -- | -- |
| Commercial paper | 1,399,204 | 1,399,204 | -- | -- | -- | -- |
| Corporate debt securities | 20,000 | 10,000 | 10,000 | -- | -- | -- |
| Money market mutual funds | 3,053,447 | 3,053,447 | -- | -- | -- | -- |
| Equity in Public Treasurers' Investment Pool | 1,017,511 | 1,017,511 | -- | -- | -- | -- |
| Equity in other investment pools | 579 | -- | -- | -- | 128 | 451 |
| Securities lending collateral: | | | | | | |
| Invested in repurchase agreements | 961,058 | 961,058 | -- | -- | -- | -- |
| Total fixed income investments | \$8,260,452 | \$7,307,066 | \$ 721,516 | \$ 231,291 | \$ 128 | \$ 451 |

The following table summarizes the Weighted Average Maturity ("WAM") for debt securities held by the primary government, except for debt securities held by ISBI, TRS, and SURS, outside of the State Treasury at June 30, 2009. The WAM expresses investment time horizons – the time when investments become due and payable – in years to reflect the dollar size of individual investments within an investment type. The portfolio's WAM is derived by dollar-weighting the WAM for each investment type.

Table 3-12 (amounts expressed in thousands)

| Investment Type | Fair Value | Weighted Average Maturity (Years) |
|--|---------------------|--|
| Repurchase agreements | \$ 9,005 | 0.003 |
| Negotiable certificates of deposit | 479 | 1.600 |
| U.S. Treasury obligations | 1,218,068 | 5.136 |
| U.S. Agency obligations | 286,663 | 5.316 |
| Municipal debt | 174,976 | 6.821 |
| Corporate debt securities | 249,218 | 9.771 |
| Mutual funds | 1,034,465 | 8.499 |
| Equity in Public Treasurers' Investment Pool | 4,729,138 | 0.048 |
| Equity in other investment pools | 4,699 | 0.041 |
| Money market mutual funds | 396,813 | 0.117 |
| Total fixed income investments | \$ 8,103,524 | |

Pensions:

ISBI manages its exposure to fair value losses arising from interest rate risk by diversifying the debt securities portfolio and maintaining the debt securities portfolio to an effective weighted average rate between 80 and 120 percent of the benchmark index.

Duration is a measure of a debt investment's exposure to fair value changes arising from changing interest rates. It uses the present value of cash flows, weighted for those cash flows as a percentage of the investment's portfolio. The effective duration measures the sensitivity of market price to parallel shifts in the yield curve. ISBI benchmarks its debt security portfolio to Barclay's Capital Intermediate U.S. Government/Credit Bond Index. At June 30, 2009 the effective duration of the Barclay's Capital Intermediate U.S. Government/Credit Bond Index was 3.9 years. At the same point in time, the effective duration of the ISBI debt security portfolio was 3.8 years. The following table summarizes the effective duration of the debt securities held by ISBI at June 30, 2009:

Table 3-13 (amounts expressed in thousands)

| <u>Investment Type</u> | <u>Fair Value</u> | <u>Effective Weighted Duration (Years)</u> |
|-------------------------------------|----------------------------|--|
| Government and agency obligations: | | |
| U.S. Treasury obligations | \$ 75,530 | 5.3 |
| U.S. Agency obligations | <u>589,489</u> | 2.9 |
| | \$ 665,019 | |
| Corporate obligations: | | |
| Bank and finance | 159,284 | 4.0 |
| Collateralized mortgage obligations | 19,361 | 2.8 |
| Industrials | 425,240 | 4.4 |
| Other | <u>97,400</u> | 4.7 |
| | 701,285 | |
| Total | <u><u>\$ 1,366,304</u></u> | |

TRS manages its exposure to fair value loss arising from increasing interest rates by diversifying the debt securities portfolio. The following table summarizes the time segmented distribution of the debt securities held by TRS at June 30, 2009:

Table 3-14 (amounts expressed in thousands)

| <u>Investment Type</u> | <u>Fair Value</u> | <u>Less Than 1 Year</u> | <u>1 to 5 Years</u> | <u>6 to 10 Years</u> | <u>10 to 20 Years</u> | <u>More Than 20 Years</u> |
|--------------------------------------|----------------------------|-------------------------|---------------------|----------------------|-----------------------|---------------------------|
| U.S. Treasury obligations | \$ 300,376 | \$ 31,104 | \$ 110,406 | \$ 53,634 | \$ 54,143 | \$ 51,089 |
| U.S. Agency obligations | 2,195,460 | 16,640 | 189,959 | 323,556 | 270,055 | 1,395,250 |
| Municipal obligations | 56,014 | -- | 123 | 2,635 | 22,720 | 30,536 |
| Corporate debt securities | 3,072,113 | 177,544 | 722,369 | 790,484 | 219,795 | 1,161,921 |
| Foreign debt securities | 664,805 | 4,469 | 154,613 | 269,413 | 154,700 | 81,610 |
| Short-term investments | 6,000 | 6,000 | -- | -- | -- | -- |
| Commingled funds | 85,401 | -- | 85,401 | -- | -- | -- |
| Securities lending collateral | 241,649 | 241,649 | -- | -- | -- | -- |
| Total subject to interest rate risk | 6,621,818 | <u>\$ 477,406</u> | <u>\$ 1,262,871</u> | <u>\$ 1,439,722</u> | <u>\$ 721,413</u> | <u>\$ 2,720,406</u> |
| Less cash equivalents | (10,643) | | | | | |
| Total fixed income securities | <u><u>\$ 6,611,175</u></u> | | | | | |

SURS manages its exposure to fair value loss arising from increasing interest rates by diversifying the debt securities portfolio. SURS has not adopted a formal policy specific to interest rate risk. The following table summarizes the time segmented distribution of the debt securities held by SURS at June 30, 2009:

Table 3-15 (amounts expressed in thousands)

| Investment Type | Fair Value | Less Than 1 Year | 1 to 5 Years | 6 to 10 Years | 10 to 20 Years | More Than 20 Years |
|--------------------------------------|---------------------|------------------|--------------|---------------|----------------|--------------------|
| U.S. Treasury and agency obligations | \$ 1,798,166 | \$ 158,917 | \$ 187,173 | \$ 230,625 | \$ 269,877 | \$ 951,574 |
| Municipal obligations | 31,568 | -- | -- | 865 | 4,954 | 25,749 |
| Corporate debt securities | 2,042,558 | 138,477 | 537,796 | 827,217 | 62,140 | 476,928 |
| Foreign debt securities | 44,726 | 26,752 | 5,821 | 6,978 | 800 | 4,375 |
| Total subject to interest rate risk | 3,917,018 | \$ 324,146 | \$ 730,790 | \$ 1,065,685 | \$ 337,771 | \$ 1,458,626 |
| Less cash equivalents | (275,349) | | | | | |
| Total fixed income securities | \$ 3,641,669 | | | | | |

FOREIGN CURRENCY RISK

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of a deposit or an investment.

Primary Government:

Only assets held by the State Treasurer and assets held outside the State Treasurer by the Prepaid Tuition Fund and foreign offices are allowed to be used to purchase investments in foreign securities. The State Treasurer is limited by the Deposit of State Moneys Act to investments in debt instruments issued by foreign governments, except the Republic of Sudan, that are guaranteed by the full faith and credit of the foreign government in which the foreign government has not defaulted or been late in payment on similar debt instruments at the time the Treasurer purchases the debt instrument. The Prepaid Tuition Fund has an investment policy limiting international equities to 10% of its total investment portfolio.

The following table summarizes the foreign currency risk, by currency denomination, of the primary government, except for debt securities held by ISBI, TRS, and SURS, outside of the State Treasury at June 30, 2009:

Table 3-16 (amounts expressed in thousands)

| Currency Denomination | Foreign Short-term Deposits |
|---|-----------------------------|
| Canadian Dollar | \$ 1 |
| Euro | 67 |
| Hong Kong Dollar | 105 |
| Japanese Yen | 47 |
| Mexican Peso | 46 |
| South African Rand | 20 |
| Total deposits and investments subject to foreign currency risk | \$ 286 |

Pensions:

The ISBI, TRS, and SURS do not have formal foreign risk policies. ISBI's international portfolio is constructed on the principles of diversification, quality growth and value. Risk of loss arises from changes in currency exchange rates. International managers may also engage in transactions to hedge currency at their discretion.

TRS's foreign currency risk exposure is primarily derived from its holdings in foreign currency-denominated equity, fixed income investments and foreign currency. TRS's international equity and global fixed income managers, at their discretion, may or may not hedge the portfolio's foreign currency exposures with currency forward contracts depending upon their views on a specific country or foreign currency relative to the U.S. dollar.

International investment management firms must maintain diversified portfolios for SURS. The System's exposure to foreign currency risk derives from its positions in foreign currency and foreign currency-denominated equity investments.

The following table summarizes the foreign currency risk by currency denomination for deposits and investments held by ISBI as of June 30, 2009:

Table 3-17 (amounts expressed in thousands)

| <u>Currency Denomination</u> | <u>Foreign Equity Securities</u> |
|---|--|
| Australian Dollar | \$ 64,846 |
| Brazilian Real | 33,225 |
| British Pound Sterling | 291,255 |
| Canadian Dollar | 47,104 |
| Danish Krone | 22,597 |
| Euro | 407,541 |
| Hong Kong Dollar | 39,653 |
| Japanese Yen | 221,156 |
| Singapore Dollar | 30,234 |
| South Korean Won | 21,353 |
| Swedish Krona | 15,868 |
| Swiss Franc | 124,170 |
| Other currencies | 16,605 |
| Total investments subject to foreign currency risk | <u>\$ 1,335,607</u> |

In addition, certain investments held in infrastructure funds trade in a reported currency of Euro based dollars valued at \$38.643 million at June 30, 2009.

The following table summarizes the foreign currency risk by currency denomination for deposits and investments held by TRS as of June 30, 2009:

Table 3-18 (amounts expressed in thousands)

| Currency Denomination | Foreign Equity Securities | Foreign Debt Obligations | Other Foreign Obligations | Total |
|--|--|---|--|---------------------|
| Australian Dollar | \$ 217,788 | \$ 41,676 | \$ 336 | \$ 259,800 |
| Brazilian Real | 142,108 | 17,162 | 1,929 | 161,199 |
| British Pound Sterling | 833,579 | 86,347 | 8,535 | 928,461 |
| Canadian Dollar | 53,268 | 45,232 | 718 | 99,218 |
| Euro | 1,238,084 | 164,068 | 7,831 | 1,409,983 |
| Hong Kong Dollar | 308,024 | -- | 56 | 308,080 |
| Indonesian Rupiah | 24,588 | 44,844 | 810 | 70,242 |
| Japanese Yen | 969,170 | 26,643 | 2,431 | 998,244 |
| Mexican Peso | 18,575 | 72,560 | 2,654 | 93,789 |
| New Taiwan Dollar | 123,840 | -- | 2,773 | 126,613 |
| New Zealand Dollar | 12,991 | 47,091 | 1,115 | 61,197 |
| Singapore Dollar | 74,007 | 646 | (177) | 74,476 |
| South Korean Won | 153,754 | 68,145 | 6,981 | 228,880 |
| Swiss Franc | 237,892 | -- | 225 | 238,117 |
| Other currencies | 348,362 | 50,391 | 3,398 | 402,151 |
| Total deposits and investments subject to foreign currency risk | <u>\$ 4,756,030</u> | <u>\$ 664,805</u> | <u>\$ 39,615</u> | <u>\$ 5,460,450</u> |

In addition, TRS has foreign currency investments in private equity with fair values totaling \$71.451 million (payable in Euros) and real estate with fair values totaling \$96.147 million (payable in Euros) and \$14.340 million (payable in British Pound Sterling).

The following table summarizes the foreign currency risk by currency denomination for deposits and investments held by SURS as of June 30, 2009:

Table 3-19 (amounts expressed in thousands)

| Currency Denomination | Foreign Equity Securities | Foreign Debt Obligations | Other Foreign Obligations | Foreign Cash | Total |
|---|--|---|--|-------------------------|---------------------|
| Australian Dollar | \$ 51,025 | \$ 164 | \$ (240) | \$ 5,572 | \$ 56,521 |
| British Pound Sterling | 231,070 | 3,075 | (15,237) | 20,548 | 239,456 |
| Canadian Dollar | 53,916 | -- | (662) | 7,194 | 60,448 |
| Euro | 357,695 | 33,707 | (34,194) | 10,604 | 367,812 |
| Hong Kong Dollar | 77,640 | -- | -- | 1,425 | 79,065 |
| Japanese Yen | 220,940 | 6,719 | -- | 8,522 | 236,181 |
| Singapore Dollar | 27,213 | -- | -- | 602 | 27,815 |
| Swiss Franc | 93,341 | -- | -- | 58 | 93,399 |
| Other currencies | 87,079 | 1,061 | 287 | 18,811 | 107,238 |
| Total investments subject to foreign currency risk | <u>\$ 1,199,919</u> | <u>\$ 44,726</u> | <u>\$ (50,046)</u> | <u>\$ 73,336</u> | <u>\$ 1,267,935</u> |

COMPONENT UNITS

The risk disclosures associated with the State's major component unit's deposits and investments are as follows:

ILLINOIS HOUSING DEVELOPMENT AUTHORITY ("IHDA")**Investments**

Table 3-20 (amounts expressed in thousands)

| Investment Type | Rating Standard & Poor's/Moody's | Fair Value | Less Than 1 Year | 1 to 5 Years | 6 to 10 Years | More Than 10 Years |
|--|---|-----------------------|---------------------------------|-------------------------|--------------------------|-----------------------------------|
| U.S. Agency obligations | AAA/Aaa | \$ 586,960 | \$ 558,152 | \$ 23,509 | \$ 2,530 | \$ 2,769 |
| Municipal and other obligations | AAA/Aaa | 146 | -- | 101 | -- | 45 |
| Total subject to credit risk | | 587,106 | 558,152 | 23,610 | 2,530 | 2,814 |
| U.S. Government obligations | | 63,308 | 41,951 | 6,698 | 5,724 | 8,935 |
| Repurchase agreements backed by U.S. Government obligations | | 41,403 | -- | -- | 4,563 | 36,840 |
| Total investments | | <u>\$ 691,817</u> | <u>\$ 600,103</u> | <u>\$ 30,308</u> | <u>\$ 12,817</u> | <u>\$ 48,589</u> |

Interest Rate Risk: IHDA's investment policy does not limit the maturity of investments as a means of managing its exposure to fair value losses arising from an increasing rate environment.

Credit Risk: IHDA is limited to investments as described in the State Statutes.

Concentration of Credit Risk: IHDA places no limit on the amount that may be invested in any one issuer. More than 5 percent of IHDA's investments are in Federal Home Loan Bank (\$220.725 million), Federal National Mortgage Corporation (\$155.787 million), and Federal Home Loan Mortgage Corporation (\$206.303 million).

ILLINOIS TOLL HIGHWAY AUTHORITY ("THA")**Investments**

Table 3-21 (amounts expressed in thousands)

| Investment Type | Rating Standard & Poor's | Fair Value | Less Than 1 Year | 1 to 5 Years |
|-------------------------------------|---|-----------------------|---------------------------------|-------------------------|
| U.S. Agency obligations: | AAA | \$ 16,361 | \$ 13,855 | \$ 2,506 |
| Money market mutual funds | AAA | 435,384 | 435,384 | -- |
| Total subject to credit risk | | 451,745 | 449,239 | 2,506 |
| U.S. Treasury notes | | 57,677 | 57,677 | -- |
| Total subject to interest rate risk | | 509,422 | <u>\$ 506,916</u> | <u>\$ 2,506</u> |
| Less cash equivalents | | (435,384) | | |
| Total investments | | <u>\$ 74,038</u> | | |

Interest Rate Risk: As a means of limiting its exposure to fair value losses from rising interest rates, THA's investment policy requires the majority of THA investments to be less than one year maturity with no investment exceeding a ten-year maturity.

ILLINOIS STATE UNIVERSITY ("ISU")

Investments

University

Table 3-22 (amounts expressed in thousands)

| <u>Investment Type</u> | <u>Rating Standard & Poor's/Moody's</u> | <u>Fair Value</u> | <u>Less Than 1 Year</u> | <u>1 to 6 Years</u> |
|---|---|-----------------------|---------------------------------|-------------------------|
| U.S. Agency obligations | AAA/Aaa | \$ 84,948 | \$ 24,938 | \$ 60,010 |
| Illinois Public Treasurers' Investment Pool | AAA/Not rated | 2,717 | 2,717 | -- |
| Money market mutual funds | Not rated | 41,137 | 41,137 | -- |
| Total subject to credit risk | | 128,802 | 68,792 | 60,010 |
| U.S. Treasuries | | 8,443 | -- | 8,443 |
| Total subject to interest rate risk | | 137,245 | \$ 68,792 | \$ 68,453 |
| Less cash equivalents | | (43,854) | | |
| Total investments of the University | | 93,391 | | |
| Investments of component units | | 60,499 | | |
| Total investments | | \$ 153,890 | | |

Interest Rate Risk: ISU's investment policy does not limit the maturity of investments as a means of managing its exposure to fair value losses arising from an increasing rate environment.

Credit Risk: ISU is limited to investments as described in the State Statutes.

Concentration of Credit Risk: ISU places no limit on the amount that may be invested in any one issuer. More than 5 percent of ISU's investments are in Federal Farm Credit Bank (\$29.724 million), Federal Home Loan Bank (\$39.918 million), Federal National Mortgage Association (\$8.236 million), and Federal Home Loan Mortgage Corporation (\$7.070 million).

NORTHERN ILLINOIS UNIVERSITY ("NIU")

Investments

University

Table 3-23 (amounts expressed in thousands)

| <u>Investment Type</u> | <u>Rating*</u> | <u>Fair Value</u> | <u>Less Than 1 Year</u> | <u>1 to 5 Years</u> | <u>6 to 10 Years</u> |
|--|----------------|-----------------------|---------------------------------|-------------------------|--------------------------|
| U.S. Agency obligations | AAA | \$ 44,825 | \$ 1,545 | \$ 39,273 | \$ 4,007 |
| Commercial paper | A1 | 6,635 | 6,635 | -- | -- |
| Money market mutual funds | AAA | 55 | 55 | -- | -- |
| Illinois Public Treasurers' Investment Pool | AAA | 3,015 | 3,015 | -- | -- |
| Total subject to credit risk and interest rate risk | | 54,530 | \$ 11,250 | \$ 39,273 | \$ 4,007 |
| Investments of component units | | 47,741 | | | |
| Total investments | | \$ 102,271 | | | |

* Ratings are from Standard and Poor's except commercial paper which is from Moody's.

Interest Rate Risk: NIU does not have a formal policy for interest rate risk.

Credit Risk: NIU is limited to investments as described in the State Statutes.

Concentration of Credit Risk: NIU has no formal policy limiting the amount that may be invested in any one issuer. The NIU has one commercial paper investment of \$6.635 million in Dexia Delaware LLC, representing 7.6% of the total investments of the NIU.

SOUTHERN ILLINOIS UNIVERSITY (“SIU”)

Investments

University

Table 3-24 (amounts expressed in thousands)

| Investment Type | Rating Standard and Poor's | Fair Value | Less Than 1 Year | 1 to 5 Years | 6 to 10 Years |
|--|----------------------------------|---------------|------------------------|-----------------|------------------|
| U.S. Agency obligations | AAA | \$ 84,909 | \$ 17,101 | \$ 46,124 | \$ 21,684 |
| Equity in Public Treasurers' Investment Pool | AAA | 70,048 | 70,048 | -- | -- |
| Total subject to credit risk | | 154,957 | 87,149 | 46,124 | 21,684 |
| U.S. Treasuries | | 46,074 | 13,969 | 25,529 | 6,576 |
| Total subject to interest rate risk | | \$ 201,031 | \$ 101,118 | \$ 71,653 | \$ 28,260 |
| Common stock | | 44 | | | |
| Deposits with maturities greater than 90 days at time of purchase | | 33,000 | | | |
| Less cash equivalents | | (70,048) | | | |
| Total investments of the University | | 164,027 | | | |
| Investments of component units | | 119,907 | | | |
| Total investments | | \$ 283,934 | | | |

Interest Rate Risk: Interest rate risk is mitigated by structuring SIU's portfolio so that securities mature to meet the SIU's cash requirements for ongoing operations. The internally managed portfolio is managed in accordance with covenants provided from the University's debt issuance activities. The externally managed portfolio is typically allocated with a minimum of \$40 million held in cash equivalents and \$65 to \$105 million held in the intermediate-term portfolio. However, circumstances may occur that cause the allocations to temporarily fall outside the prescribed ranges.

Credit Risk: Credit risk is mitigated by limiting investments to those specified in the *Illinois Public Funds Investment Act*; pre-qualifying the financial institutions which are utilized; and diversifying the investment portfolio so that the failure of any one issue or backer will not place an undue financial burden on SIU.

UNIVERSITY OF ILLINOIS (“U of I”)

Investments

Interest Rate Risk: The U of I and the U of I Foundation, a component unit of the U of I, employ multiple investment managers, of which each has a specific maturity assignment related to operating funds. The funds are structured with different layers of liquidity. Funds expected to be used within one year are invested in money market instruments. Core operating funds are invested in longer maturity investments. Core operating funds investment manager's performance benchmarks are the Barclays Capital 1-3 year Government Credit Bond Index and

the Barclays Capital Intermediate Aggregate Bond Index. The manager guidelines provide that the average weighted duration of the portfolio, including option position, not vary from that of their respective performance benchmarks by more than +/-20 percent. The Entity's investments and maturities at June 30, 2009 are illustrated below:

University

Table 3-25 (amounts expressed in thousands)

| <u>Investment Type</u> | <u>Fair Value</u> | <u>Less Than 1 Year</u> | <u>1 to 5 Years</u> | <u>6 to 10 Years</u> | <u>More Than 10 Years</u> |
|---|-------------------|-------------------------|---------------------|----------------------|---------------------------|
| U.S. Treasury put | \$ 4,345 | \$ -- | \$ -- | \$ -- | \$ 4,345 |
| U.S. Treasury bonds and bills | 81,161 | 31,329 | 34,520 | 15,064 | 248 |
| U.S. Agency obligations | 212,421 | 130,538 | 26,286 | 6,394 | 49,203 |
| Commercial paper | 1,999 | 1,999 | -- | -- | -- |
| Corporate bonds | 87,215 | 5,683 | 48,232 | 20,374 | 12,926 |
| Bond mutual funds | 48,820 | 24 | 1,469 | 47,327 | -- |
| Money market mutual funds | 413,929 | 413,929 | -- | -- | -- |
| Illinois Public Treasurers' Investment Pool | 1,957 | 1,957 | -- | -- | -- |
| Non government mortgage-backed securities | 40,569 | 74 | 1,684 | 2,719 | 36,092 |
| Government bonds - non U.S. | 3,294 | 177 | 2,868 | 249 | -- |
| Repurchase agreements | 38,427 | 38,427 | -- | -- | -- |
| Total subject to interest rate risk | 934,137 | <u>\$ 624,137</u> | <u>\$ 115,059</u> | <u>\$ 92,127</u> | <u>\$ 102,814</u> |
| U.S. equities | 18,306 | | | | |
| Foreign equity securities | 24,441 | | | | |
| U.S. equity mutual funds | 83,898 | | | | |
| Limited partnerships | 10,339 | | | | |
| Preferred stock | 294 | | | | |
| Real estate | 48,682 | | | | |
| Deposits with maturities greater than 90 days at time of purchase | 400 | | | | |
| Less cash equivalents | <u>(458,068)</u> | | | | |
| Total investments of the University | 662,429 | | | | |
| Investments of component units except for U of I Foundation | <u>22,387</u> | | | | |
| Total investments | <u>\$ 684,816</u> | | | | |

At June 30, 2009, the U of I's operating funds pool portfolio had an effective duration of 1.4 years.

Foundation

Table 3-26 (amounts expressed in thousands)

| <u>Investment Type</u> | <u>Fair Value</u> | <u>Less Than 1 Year</u> | <u>1 to 5 Years</u> | <u>6 to 10 Years</u> | <u>More Than 10 Years</u> |
|--------------------------------------|-------------------|-------------------------|---------------------|----------------------|---------------------------|
| U.S. Treasury bonds | \$ 14,578 | \$ 5,999 | \$ 2,115 | \$ -- | \$ 6,464 |
| U.S. Agency obligations | 19,686 | -- | 2,374 | -- | 17,312 |
| Municipal bonds | 222 | -- | -- | 222 | -- |
| Government bonds - non U.S. | 117 | -- | -- | -- | 117 |
| Government agencies - non U.S. | 191 | -- | -- | -- | 191 |
| Corporate bonds and notes | 40,625 | -- | 2,084 | 1,519 | 37,022 |
| Mutual funds - bonds | 80,600 | -- | 60,967 | 15,124 | 4,509 |
| Mutual funds - foreign bonds | 242 | -- | 102 | 104 | 36 |
| Mutual funds - municipal bonds | 2,067 | 208 | 572 | 815 | 472 |
| Mutual funds - blended bonds | 744 | -- | -- | 744 | -- |
| Mutual funds - money market | 47,041 | 47,041 | -- | -- | -- |
| Total subject to interest rate risk | 206,113 | <u>\$53,248</u> | <u>\$68,214</u> | <u>\$ 18,528</u> | <u>\$ 66,123</u> |
| U.S. equities | 163,161 | | | | |
| Foreign equity securities | 120,813 | | | | |
| Preferred stock | 698 | | | | |
| Equity mutual funds | 109,864 | | | | |
| Foreign equity mutual funds | 13,466 | | | | |
| Real estate and partnerships | 337,617 | | | | |
| Foreign real estate and partnerships | 7,089 | | | | |
| Other | 2,534 | | | | |
| Total investments | <u>\$ 961,355</u> | | | | |

Credit Risk: The U of I's policy requires that operating funds be invested in fixed income securities and money market instruments. Fixed income securities shall be rated investment grade or better by one or more nationally recognized statistical rating organizations. Securities not covered by the investment grade standard are allowed if, in the manager's judgment, those instruments are of comparable credit quality. Securities which fall below the stated minimum credit requirements subsequent to initial purchase may be held at the manager's discretion. It is expected that the average credit quality of the operating funds will not fall below Standard & Poor's AA- or equivalent. At June 30, 2009, the U of I and the U of I Foundation had debt securities and quality ratings as shown in the charts below:

University

Table 3-27 (amounts expressed in thousands)

| Investment Type | Fair Value | Standard and Poor's | | | | | Less Than BB or Not Rated |
|---|------------------|---------------------|-----------------|-----------------|-----------------|----------------|---------------------------|
| | | AAA | AA | A | BBB | BB | |
| U.S. Agency obligations | \$ 212,421 | \$211,849 | \$ -- | \$ 572 | \$ -- | \$ -- | \$ -- |
| Commercial paper | 1,999 | -- | -- | -- | -- | -- | 1,999 |
| Corporate bonds | 87,215 | 14,980 | 7,734 | 28,977 | 25,030 | 4,859 | 5,635 |
| Bond mutual funds | 48,820 | 46,782 | 1,315 | 700 | -- | -- | 23 |
| Money market mutual funds | 413,929 | 410,790 | -- | -- | -- | -- | 3,139 |
| Illinois Public Treasurers' Investment Pool | 1,957 | 1,957 | -- | -- | -- | -- | -- |
| Non government mortgage-backed securities | 40,569 | 31,057 | 1,816 | 1,230 | 1,592 | 125 | 4,749 |
| Government bonds - non U.S. | 3,294 | 2,413 | -- | 704 | 177 | -- | -- |
| Repurchase agreements | 38,427 | 38,427 | -- | -- | -- | -- | -- |
| Total subject to credit risk | 848,631 | <u>\$758,255</u> | <u>\$10,865</u> | <u>\$32,183</u> | <u>\$26,799</u> | <u>\$4,984</u> | <u>\$15,545</u> |
| U.S. Treasury put | 4,345 | | | | | | |
| U.S. Treasury bonds and bills | 81,161 | | | | | | |
| Total fixed income securities | <u>\$934,137</u> | | | | | | |

Foundation

Table 3-28 (amounts expressed in thousands)

| Investment Type | Fair Value | Standard and Poor's | | | | | Less Than BB or Not Rated |
|--------------------------------|------------------|---------------------|-----------------|-----------------|-----------------|----------------|---------------------------|
| | | AAA | AA | A | BBB | BB | |
| U.S. Agency obligations | \$ 19,686 | \$ 19,592 | \$ -- | \$ 94 | \$ -- | \$ -- | \$ -- |
| Municipal bonds | 222 | 113 | 62 | -- | -- | -- | 47 |
| Government bonds - non U.S. | 117 | -- | -- | -- | 117 | -- | -- |
| Government agencies - non U.S. | 191 | -- | -- | 107 | 84 | -- | -- |
| Corporate bonds and notes | 40,625 | 6,764 | 4,828 | 7,008 | 7,253 | 3,302 | 11,470 |
| Mutual funds - bonds | 80,600 | 52,280 | 7,609 | 10,997 | 5,607 | 2,358 | 1,768 |
| Mutual funds - foreign bonds | 242 | 19 | 24 | 41 | 90 | 41 | 8 |
| Mutual funds - municipal bonds | 2,067 | 636 | 794 | 532 | 100 | -- | 5 |
| Mutual funds - blended bonds | 744 | 126 | 142 | 462 | 7 | -- | 7 |
| Mutual funds - money market | 47,041 | 47,041 | -- | -- | -- | -- | -- |
| Total subject to credit risk | 191,535 | <u>\$126,571</u> | <u>\$13,459</u> | <u>\$19,241</u> | <u>\$13,258</u> | <u>\$5,701</u> | <u>\$13,305</u> |
| U.S. Treasury bonds | 14,578 | | | | | | |
| Total fixed income securities | <u>\$206,113</u> | | | | | | |

Concentration of Credit Risk: The U of I's manager guidelines for operating investments provide that non-U.S. government obligations may not exceed 10% per issuer and private mortgage-backed and asset-backed securities may not exceed 10% per issuer (unless collateral is credit independent of the issuer and the security's credit enhancement is generated internally, in which case the limit is 25% per issuer). Obligations with other issuers, other than the U.S. Government, U.S. agencies, or U.S. government sponsored corporations and agencies, may not exceed 5%. At June 30, 2009, the U of I held securities of Federal Home Loan Mortgage Company (\$56.726 million) and Federal Home Loan Bank (\$60.751 million) in excess of 5% of total investments.

Foreign Currency Risk: The U of I does not have a formal foreign risk policy. The U.S. dollar balances of the U of I's and the U of I Foundation's cash equivalents and investments exposed to foreign currency risk as of June 30, 2009 are categorized by currency below:

University

Table 3-29 (amounts expressed in thousands)

| <u>Currency denomination</u> | <u>Total</u> | <u>Cash Equivalents</u> | <u>Equity Investments</u> |
|--|------------------|-----------------------------|-------------------------------|
| British Pound Sterling | \$ 5,263 | \$ 91 | \$ 5,172 |
| Euro | 11,543 | 306 | 11,237 |
| Hong Kong Dollar | 1,090 | 10 | 1,080 |
| Japanese Yen | 1,232 | -- | 1,232 |
| Swiss Franc | 2,417 | 3 | 2,414 |
| All other currency | 3,338 | 32 | 3,306 |
| Total subject to foreign currency risk | <u>\$ 24,883</u> | <u>\$ 442</u> | <u>\$ 24,441</u> |

Foundation

Table 3-30 (amounts expressed in thousands)

| <u>Currency denomination</u> | <u>Total</u> | <u>Cash Equivalents</u> | <u>Equity Investments</u> | <u>Foreign Debt Obligations</u> | <u>Real Estate and Partnerships</u> |
|--|-------------------|-----------------------------|-------------------------------|---|---|
| British Pound Sterling | \$ 35,841 | \$ 138 | \$ 35,673 | \$ 30 | \$ -- |
| Hong Kong Dollar | 35,247 | 175 | 29,642 | 163 | 5,267 |
| Malaysian Ringgit | 23,480 | 531 | 22,538 | 12 | 399 |
| Swiss Franc | 9,931 | 5 | 9,926 | -- | -- |
| All other currency | 38,676 | 716 | 36,500 | 37 | 1,423 |
| Total subject to foreign currency risk | <u>\$ 143,175</u> | <u>\$ 1,565</u> | <u>\$ 134,279</u> | <u>\$ 242</u> | <u>\$ 7,089</u> |

DERIVATIVES

Certain State agencies, principally ISBI, TRS, and SURS, invest in derivative securities. These derivative securities have been authorized by the policies of the applicable State agencies and the Illinois Compiled Statutes. A derivative security is an investment whose return on investment depends upon the underlying value of other assets such as commodity prices, bond and stock prices, or a market index. In general, a derivative is used to modify exposure to undesirable risks, to increase portfolio liquidity and flexibility or to enhance investment yields within the level of risk defined in the agency's investment guidelines.

Derivative transactions involve, to varying degrees, credit risk and market risk. Credit risk is the possibility that a loss may occur because a party to a transaction fails to perform according to the established terms. In order to eliminate credit risk, all derivative securities of ISBI, TRS, and SURS are done through a clearinghouse which guarantees delivery and accepts the risk of default by either party. Market risk is the possibility that a change in interest or currency rates will cause the value of a financial instrument to decrease or become more costly to settle. The market risk associated with derivatives, the prices of which are constantly fluctuating, is regulated by ISBI, TRS, and SURS by imposing strict limits as to the types, amounts, and degree of risk that

investment managers may undertake. These limits are approved by governing bodies and senior management, and the risk positions of the investment managers are reviewed periodically to monitor compliance with limits.

ISBI, TRS, and SURS invest in the following types of derivatives: foreign currency forward contracts, collateralized mortgage obligations, financial futures, and financial options.

Foreign currency forward contracts are used to hedge against the currency risk in agencies' foreign stock and fixed income security portfolios. Foreign currency forward contracts are an agreement to purchase or sell a specific amount of a foreign currency at a specified delivery or maturity date for an agreed upon price. Fluctuations in the market value of foreign currency forward contracts are recognized as incurred rather than at the maturity or settlement date of the contract. Foreign currency forward contracts represent an off-balance sheet obligation because there are no balance sheet assets or liabilities associated with those contracts. As of June 30, 2009, the net unrealized gain (loss) of foreign currency forward contracts outstanding for ISBI, TRS, and SURS was \$(5.594) million, \$(5.359) million, and \$(1.771) million, respectively.

Collateralized mortgage obligations are securities which are based on cash flows from principal and interest payments on underlying mortgages. Therefore, they are sensitive to prepayment by mortgagees, which may result from a decline in interest rates. As of June 30, 2009, the fair value of collateralized mortgage obligations for ISBI and SURS was \$23.611 million and \$166.172 million, respectively.

Financial futures are agreements to purchase or sell a specific amount of an asset at a specified delivery or maturity date for an agreed-upon price. As the market value of the futures contract varies from the original contract price, a gain or loss is recognized and paid to the clearinghouse. Financial futures represent an off-balance sheet obligation because there are no balance sheet assets or liabilities associated with those contracts.

Financial options are agreements that give one party the right, but not the obligation, to purchase or sell a specific amount of an asset for a specified price, called the strike price, on or before a specified expiration date. As writers of financial options, ISBI, TRS, and SURS receive a premium at the outset of the agreement and bear the risk of an unfavorable change in the price of the financial instrument underlying the option. Premiums received are recorded as a liability when the financial option is written. Fluctuations in the fair value of financial options are recognized in the financial statements as incurred rather than at the time the options are exercised or when they expire. As a purchaser of financial options, ISBI and SURS pay a premium at the outset of the agreement and the counterparty bears the risk of an unfavorable change in the price of the financial instrument underlying the option. Premiums paid are recorded as an asset when the financial option is purchased and gains/losses are recognized when the options are exercised by the agency or they expire.

As of June 30, 2009, the fair value of option contracts written for TRS and SURS was \$17 thousand and \$(496) thousand, respectively.

The following table represents the derivative positions held by ISBI, TRS, and SURS at June 30, 2009 in financial futures and financial options.

Table 3-31 (amounts expressed in thousands)

| Type of Derivative Contract | Contractual Principal Outstanding* | | |
|---|--|-----------------------------------|--------------------------------------|
| | Illinois State Board of Investment | Teachers' Retirement System | Universities Retirement System |
| Domestic interest rate products | | | |
| Fixed income futures purchased | | \$ 253,980 | \$ 2,561,900 |
| Fixed income futures sold | | 37,283 | 17,800 |
| Fixed income put options (written, purchased) | | | 131,900 |
| Fixed income call options (written, purchased) | | | 137,300 |
| Fixed income put options (written, purchased) on futures | | 2,550 | |
| Fixed income call options (written, purchased) on futures | | 30,509 | |
| International interest rate products | | | |
| Fixed income futures purchased | | 20,112 | 227,529 |
| Fixed income futures sold | | 32,954 | |
| Fixed income put options (written, purchased) | | | 769,902 |
| Domestic Equity Products | | | |
| S & P 500 Index and other equity futures purchased | \$ 74,430 | 575,438 | 124,814 |
| International Equity Products | | | |
| Stock index futures purchased | | | 36,756 |
| Domestic Currency Products | | | |
| Currency call options on futures | | 24,071 | |
| Currency put options on futures | | 20,360 | |
| Foreign Currency Products | | | |
| Forward foreign currency futures (net) | | 949,192 | |
| Foreign currency yield curve (net) | | 95,336 | |

* The contractual principal amounts listed above represent the fair value of the underlying assets the derivative contracts control. Contractual principal values do not represent actual balance sheet values.

Contractual principal amounts are often used to express the volume of these transactions but do not reflect the extent to which positions may offset one another. These amounts do not represent the much smaller amounts potentially subject to risk.

SECURITIES LENDING TRANSACTIONS

The investment policies of certain State agencies and component units, principally the State Treasurer, ISBI, TRS, SURS, and the University of Illinois, permit them to enter into securities lending transactions. In these transactions, the agency loans their securities to broker-dealers and other entities for collateral with a simultaneous agreement to return the collateral for the same securities in the future. The agencies' securities custodians are agents in lending the securities for collateral of at least 102% of the fair value of the securities. Collateral can consist of cash, cash equivalents, government securities, commercial paper or irrevocable letters of credit. Depending on their nature, securities on loan at year-end are presented as classified or unclassified in the preceding schedule of custodial credit risk. Generally, at year-end, agencies had no credit risk exposure to borrowers because the amounts they owed to borrowers exceeded the amounts borrowers owed the agencies. Policies regarding indemnification vary among agencies. Some agencies' contracts with custodians require them to indemnify the agency if the borrowers fail to return the securities (and if the collateral is inadequate to replace the securities lent) or the borrowers fail to pay the agency for income distributions by the securities' issuers while the securities are out on loan. Other agencies have no provisions for indemnification.

Generally, securities loans can be terminated on demand by either the agency or the borrower, although the average term of the loans is approximately 1 to 30 days. Cash collateral is generally invested in the lending agents' short-term investment pools, which at year-end had weighted average maturities of approximately 15 to 50 days. The relationship between the maturities of the investment pools and the agencies' loans is affected by the maturities of the securities loans made by other entities that use the agents' pools, which the agencies cannot determine. The agencies cannot pledge or sell collateral securities received unless the borrower defaults.

The following table summarizes the fair value and related collateral value of outstanding loaned investment securities as of June 30, 2009.

| Table 3-32 (amounts expressed in thousands) | | |
|---|-------------------|-------------------------|
| State Agency/Component Unit | Fair Value | Collateral Value |
| State Treasurer | \$ 945,946 | \$ 961,557 |
| Illinois Student Assistance Commission | 74,672 | 72,331 |
| Illinois State Board of Investments | 1,476,903 | 1,528,744 |
| Teachers' Retirement System | 4,120,984 | 4,259,994 |
| State Universities Retirement System | 1,285,100 | 1,323,000 |
| University of Illinois | 212,763 | 210,139 |

4 TAXES RECEIVABLE

Taxes receivable for the primary government at June 30, 2009 are as follows:

Table 4-1 (amounts expressed in thousands)

| | Governmental Activities | | | Business-type Activities | |
|--|-------------------------|-------------------|---------------------|--|--------------------|
| | General Fund | Nonmajor Funds | Total | Unemployment Compensation Trust Fund | Fiduciary Funds |
| Income tax | \$ 669,561 | \$ 66,839 | \$ 736,400 | \$ - | \$ - |
| Less allowance | (324,093) | (30,892) | (354,985) | - | - |
| Net income tax | 345,468 | 35,947 | 381,415 | - | - |
| Sales tax | 575,824 | 183,051 | 758,875 | - | - |
| Less allowance | (185,534) | (55,288) | (240,822) | - | - |
| Net sales tax | 390,290 | 127,763 | 518,053 | - | - |
| Motor fuel tax | - | 142,446 | 142,446 | - | - |
| Less allowance | - | (18,936) | (18,936) | - | - |
| Net motor fuel tax | - | 123,510 | 123,510 | - | - |
| Public utility tax | 10,817 | 17,842 | 28,659 | - | - |
| Less allowance | - | (6,978) | (6,978) | - | - |
| Net public utility tax | 10,817 | 10,864 | 21,681 | - | - |
| Other tax | 416,476 | 63,855 | 480,331 | - | - |
| Less allowance | (32,356) | (1,261) | (33,617) | - | - |
| Net other tax | 384,120 | 62,594 | 446,714 | - | - |
| Unemployment compensation tax | - | - | - | 479,223 | - |
| Less allowance | - | - | - | (125,588) | - |
| Net unemployment compensation tax | - | - | - | 353,635 | - |
| Taxes assessed by other governments | - | - | - | - | 127,890 |
| Total taxes receivable, net | \$ 1,130,695 | \$ 360,678 | \$ 1,491,373 | \$ 353,635 | \$ 127,890 |

5 INTERFUND BALANCES AND ACTIVITY

Interfund due to and due from balances at June 30, 2009 consisted of the following:

| Due From | Due To | | | | | | | | | | | | Total |
|--|--------------|------------|----------------------------|-----------------------------|--------------------------------------|----------------------|----------------------|--|---------------------------|------------------------|-----------------|--------------|-------|
| | General Fund | Road Fund | State Construction Account | Nonmajor Governmental Funds | Unemployment Compensation Trust Fund | Water Revolving Fund | Prepaid Tuition Fund | Designated Account Purchase Program Fund | Nonmajor Enterprise Funds | Internal Service Funds | Fiduciary Funds | | |
| General Fund | \$ -- | \$ 131 | \$ -- | \$ 32,084 | \$ -- | \$ -- | \$ -- | \$ -- | \$ 88 | \$ 7,347 | \$ -- | \$ 39,650 | |
| Road Fund | -- | -- | -- | 50,877 | -- | -- | -- | -- | -- | -- | -- | 50,877 | |
| State Construction Account | -- | -- | -- | 46,648 | -- | -- | -- | -- | -- | -- | -- | 46,648 | |
| Nonmajor Governmental Funds | 364,879 | 1,960 | 63 | 93,792 | 20,133 | -- | -- | -- | 406 | 84 | -- | 481,317 | |
| Unemployment Compensation Trust Fund | 12,004 | -- | -- | 14 | -- | -- | -- | -- | -- | -- | -- | 12,018 | |
| Designated Account Purchase Program Fund | -- | -- | -- | -- | -- | -- | -- | -- | 1,724 | -- | -- | 1,724 | |
| Nonmajor Enterprise Funds | 69,842 | -- | -- | 3 | -- | -- | -- | 3,227 | 4,517 | -- | 460 | 78,049 | |
| Internal Service Funds | 929,529 | 102,675 | -- | 37,615 | -- | 50 | 88 | 7 | 4,128 | 19,231 | 10,327 | 1,103,650 | |
| Fiduciary Funds | 64,992 | 3,032 | -- | 34,033 | -- | 8 | -- | -- | 211 | 1,561 | 66 | 103,903 | |
| Total | \$ 1,441,246 | \$ 107,798 | \$ 63 | \$ 295,066 | \$ 20,133 | \$ 58 | \$ 88 | \$ 3,234 | \$ 11,074 | \$ 28,223 | \$ 10,853 | \$ 1,917,836 | |

Interfund due to and due from balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. Because of resource constraints in the current fiscal year, the payment time of transactions from the General Revenue Account of the General Fund was significantly slower than in previous fiscal years.

Interfund transfers activity at June 30, 2009 consisted of the following:

| Transfers-In | Transfers-Out | | | | | | | Total |
|--------------------------------------|--------------------|------------------|-----------------------------|--------------------------------------|-------------------------|---------------------------|------------------------|--------------------|
| | General Fund | Road Fund | Nonmajor Governmental Funds | Unemployment Compensation Trust Fund | Prepaid Tuition Program | Nonmajor Enterprise Funds | Internal Service Funds | |
| General Fund | \$ -- | \$ -- | \$ 2,322,108 | \$ -- | \$ -- | \$ 631,266 | \$ 16,750 | \$ 2,970,124 |
| Road Fund | -- | -- | 311,231 | -- | -- | -- | -- | 311,231 |
| State Construction Account | -- | -- | 226,509 | -- | -- | -- | -- | 226,509 |
| Nonmajor Governmental Funds | 4,642,617 | 259,016 | 1,101,427 | 13,221 | 32 | 30,315 | -- | 6,046,628 |
| Unemployment Compensation Trust Fund | -- | -- | 1,519 | -- | -- | -- | -- | 1,519 |
| Nonmajor Enterprise Funds | -- | -- | -- | -- | -- | 23,139 | -- | 23,139 |
| Internal Service Funds | -- | -- | 449 | -- | -- | -- | -- | 449 |
| Total | \$4,642,617 | \$259,016 | \$3,963,243 | \$13,221 | \$32 | \$684,720 | \$16,750 | \$9,579,599 |

Note: Transfers out recorded in the Water Revolving Fund consist of \$7 of capital assets transferred to governmental funds.
 * Transfers out for nonmajor enterprise funds also include \$42 of capital assets transferred to governmental funds.
 ** Transfers out for internal service funds also include \$105 of capital assets transferred to governmental funds.

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts to debt service funds as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

INTERENTITY

The due from amounts for the State of Illinois from its component units, as of June 30, 2009, consisted of the following:

Table 5-3 (amounts expressed in thousands)

| Due To | Due From | | | | | | | | Total |
|--------------------------------------|--|------------------------|----------------------|---------------------------|------------------------------|------------------------------|------------------------|-----------------------|-------------------|
| | Illinois Housing Development Authority | Toll Highway Authority | Nonmajor Authorities | Illinois State University | Northern Illinois University | Southern Illinois University | University of Illinois | Nonmajor Universities | |
| General Fund | \$ -- | \$ 527 | \$ 15 | \$ -- | \$ 7 | \$ -- | \$ 118 | \$ 1,846 | \$ 2,513 |
| Road Fund | -- | -- | -- | -- | -- | -- | 527 | -- | 527 |
| Nonmajor Governmental Funds | 340,987 | -- | 19,680 | 172 | 319 | 46 | 113 | 70 | 361,387 |
| Unemployment Compensation Trust Fund | -- | -- | -- | 6 | 21 | 46 | 148 | 46 | 267 |
| Water Revolving Fund | -- | -- | 487 | -- | -- | -- | -- | -- | 487 |
| Internal Service Funds | -- | 2,936 | 748 | 162 | 24 | 34 | 14,367 | 246 | 18,517 |
| Fiduciary Funds | -- | -- | -- | -- | -- | -- | 1,411 | -- | 1,411 |
| Total | <u>\$ 340,987</u> | <u>\$ 3,463</u> * | <u>\$ 20,930</u> | <u>\$ 340</u> | <u>\$ 371</u> | <u>\$ 126</u> | <u>\$ 16,684</u> | <u>\$ 2,208</u> | <u>\$ 385,109</u> |

* The amounts due to the Toll Highway Authority at December 31, 2008, its fiscal year-end, were \$0.

The due to amounts for the State of Illinois to its component units, as of June 30, 2009, consisted of the following:

Table 5-4 (amounts expressed in thousands)

| Due From | Due To | | | | | | | Total |
|--|------------------------|----------------------|---------------------------|------------------------------|------------------------------|------------------------|-----------------------|-------------------|
| | Toll Highway Authority | Nonmajor Authorities | Illinois State University | Northern Illinois University | Southern Illinois University | University of Illinois | Nonmajor Universities | |
| General Fund | \$ 1 | \$ 6 | \$ 33,145 | \$ 48 | \$ 48,636 | \$ 72,143 | \$ 4,328 | \$ 158,307 |
| Road Fund | 29 | -- | -- | 123 | 687 | 1,421 | -- | 2,260 |
| Nonmajor Governmental Funds | 5 | 1,621 | 801 | 837 | 3,021 | 25,185 | 3,836 | 35,306 |
| Water Revolving Fund | -- | 86,722 | -- | -- | -- | -- | -- | 86,722 |
| Prepaid Tuition Fund | -- | -- | -- | -- | 13 | -- | -- | 13 |
| Designated Account Purchase Program Fund | -- | -- | -- | -- | -- | -- | 151 | 151 |
| Internal Service Funds | -- | -- | -- | -- | 159 | 1,325 | -- | 1,484 |
| Fiduciary Funds | 25 | 26 | -- | -- | -- | -- | -- | 51 |
| Total | <u>\$ 60</u> * | <u>\$ 88,375</u> | <u>\$ 33,946</u> | <u>\$ 1,008</u> | <u>\$ 52,516</u> | <u>\$ 100,074</u> | <u>\$ 8,315</u> | <u>\$ 284,294</u> |

* The amounts due from the Toll Highway Authority at December 31, 2008, its fiscal year-end, were \$69,125.

Transactions between the State of Illinois and its component units consist mostly of appropriations for general administrative expenses and capital projects. In addition, most of the State's universities receive pass-through and other grants from the State.

6 LOANS AND NOTES RECEIVABLE

Loans and notes receivable at June 30, 2009, consisted of the following:

| Table 6-1 (amounts expressed in thousands) | | | | | | | |
|--|-------------------------|-----------------------------|-----------|--------------------------|--|--------------|-----------------|
| | Primary Government | | | | | | |
| | Governmental Activities | | | Business-type Activities | | | |
| | General Fund | Nonmajor Governmental Funds | Total | Water Revolving Fund | Designated Account Purchase Program Fund | Total | Fiduciary Funds |
| Student loan program | \$ 53,443 | \$ 1,588 | \$ 55,031 | \$ -- | \$ 1,250,701 | \$ 1,250,701 | \$ 101 |
| Local government infrastructure | -- | -- | -- | 1,758,540 | -- | 1,758,540 | -- |
| Business loan program | 29,304 | -- | 29,304 | -- | -- | -- | -- |
| Port district construction | 14,968 | -- | 14,968 | -- | -- | -- | -- |
| Other | 1,555 | 60,344 | 61,899 | -- | -- | -- | -- |
| | 99,270 | 61,932 | 161,202 | 1,758,540 | 1,250,701 | 3,009,241 | 101 |
| Less: Allowance for uncollectible accounts | 91,251 | 3,813 | 95,064 | -- | 7,454 | 7,454 | 19 |
| Total | 8,019 | 58,119 | 66,138 | 1,758,540 | 1,243,247 | 3,001,787 | 82 |
| Less: Amounts representing restricted assets | -- | -- | -- | 326,543 | 1,243,247 | 1,569,790 | -- |
| Loans and notes receivable, net | \$ 8,019 | \$ 58,119 | \$ 66,138 | \$ 1,431,997 | \$ -- | \$ 1,431,997 | \$ 82 |

Table 6-2 (amounts expressed in thousands)

| | Major Component Units | | | | |
|--|--|---------------------------|------------------------------|------------------------------|------------------------|
| | Illinois Housing Development Authority | Illinois State University | Northern Illinois University | Southern Illinois University | University of Illinois |
| Mortgage loan program | \$ 1,973,354 | \$ -- | \$ -- | \$ -- | \$ -- |
| Student loan program | -- | 10,859 | 10,029 | 21,326 | 64,406 |
| Other | -- | -- | -- | 252 | 86 |
| | 1,973,354 | 10,859 | 10,029 | 21,578 | 64,492 |
| Less: Allowance for uncollectible accounts | 43,630 | 913 | 141 | 2,395 | 2,800 |
| Loans and notes receivable, net | \$ 1,929,724 | \$ 9,946 | \$ 9,888 | \$ 19,183 | \$ 61,692 |

7 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2009, was as follows:

Table 7-1 (amounts expressed in thousands)

| | Beginning Balance | Additions | Deletions | Transfers and Reclassifications | Ending Balance |
|--|----------------------|-------------------|-----------------|---------------------------------------|----------------------|
| Primary Government | | | | | |
| Governmental activities | | | | | |
| Capital assets not being depreciated: | | | | | |
| Land and land improvements | \$ 2,663,691 | \$ 93,909 | \$ 2,974 | \$ 115 | \$ 2,754,741 |
| Historical treasures and works of art | 38,220 | 97 | -- | 48 | 38,365 |
| Construction in progress | 30,786 | 72,334 | -- | (53,373) | 49,747 |
| Total capital assets not being depreciated | <u>2,732,697</u> | <u>166,340</u> | <u>2,974</u> | <u>(53,210)</u> | <u>2,842,853</u> |
| Capital assets being depreciated: | | | | | |
| Infrastructure | 22,942,095 | 1,175,208 | 650,764 | 3,206 | 23,469,745 |
| Site improvements | 740,317 | 13,080 | 64 | 10,262 | 763,595 |
| Buildings and building improvements | 4,233,902 | 31,463 | 1,495 | 40,325 | 4,304,195 |
| Equipment | 1,100,278 | 97,851 | 23,773 | (45,336) | 1,129,020 |
| Historical treasures and works of art | 1,100 | -- | -- | -- | 1,100 |
| Total capital assets being depreciated | <u>29,017,692</u> | <u>1,317,602</u> | <u>676,096</u> | <u>8,457</u> | <u>29,667,655</u> |
| Less accumulated depreciation for: | | | | | |
| Infrastructure | 10,125,781 | 994,617 | 650,764 | -- | 10,469,634 |
| Site improvements | 358,641 | 37,356 | 64 | 17 | 395,950 |
| Buildings and building improvements | 1,943,756 | 112,235 | 716 | (2,549) | 2,052,726 |
| Equipment | 868,351 | 81,405 | 22,992 | (42,260) | 884,504 |
| Historical treasures and works of art | 1,100 | -- | -- | -- | 1,100 |
| Total accumulated depreciation | <u>13,297,629</u> | <u>1,225,613</u> | <u>674,536</u> | <u>(44,792)</u> | <u>13,803,914</u> |
| Total capital assets being depreciated, net | <u>15,720,063</u> | <u>91,989</u> | <u>1,560</u> | <u>53,249</u> | <u>15,863,741</u> |
| Governmental activities capital assets, net | <u>\$ 18,452,760</u> | <u>\$ 258,329</u> | <u>\$ 4,534</u> | <u>\$ 39</u> | <u>\$ 18,706,594</u> |
| Depreciation expense for governmental activities was charged to functions as follows: | | | | | |
| Health and social services | | | | | \$ 52,489 |
| Education | | | | | 2,931 |
| General government | | | | | 25,400 |
| Employment and economic development | | | | | 21,396 |
| Transportation | | | | | 1,030,421 |
| Public protection and justice | | | | | 37,125 |
| Environmental and business regulation | | | | | 24,189 |
| Internal service funds | | | | | 31,662 |
| Total | | | | | <u>\$ 1,225,613</u> |

Table 7-2 (amounts expressed in thousands)

| | Beginning Balance | Additions | Deletions | Transfers and Reclassifications | Ending Balance |
|---|----------------------|-----------|-----------|---------------------------------------|-------------------|
| Primary Government | | | | | |
| Business-type activities | | | | | |
| Water Revolving Fund: | | | | | |
| Capital assets being depreciated: | | | | | |
| Equipment | \$ 382 | \$ 111 | \$ -- | \$ (39) | \$ 454 |
| Total capital assets being depreciated | 382 | 111 | -- | (39) | 454 |
| Less accumulated depreciation for: | | | | | |
| Equipment | 199 | 53 | -- | (32) | 220 |
| Total accumulated depreciation | 199 | 53 | -- | (32) | 220 |
| Total capital assets being depreciated, net | 183 | 58 | -- | (7) | 234 |
| Water Revolving Fund capital assets, net | 183 | 58 | -- | (7) | 234 |
| Designated Account Purchase Program: | | | | | |
| Capital assets being depreciated: | | | | | |
| Equipment | 514 | 30 | -- | -- | 544 |
| Total capital assets being depreciated | 514 | 30 | -- | -- | 544 |
| Less accumulated depreciation for: | | | | | |
| Equipment | 497 | 13 | -- | -- | 510 |
| Total accumulated depreciation | 497 | 13 | -- | -- | 510 |
| Total capital assets being depreciated, net | 17 | 17 | -- | -- | 34 |
| Designated Account Purchase Program capital assets, net | 17 | 17 | -- | -- | 34 |
| Nonmajor enterprise funds: | | | | | |
| Capital assets not being depreciated: | | | | | |
| Land and land improvements | 190 | -- | -- | -- | 190 |
| Total capital assets not being depreciated | 190 | -- | -- | -- | 190 |
| Capital assets being depreciated: | | | | | |
| Buildings and building improvements | 1,613 | 70 | -- | - | 1,683 |
| Equipment | 6,233 | 1,152 | 294 | (134) | 6,957 |
| Total capital assets being depreciated | 7,846 | 1,222 | 294 | (134) | 8,640 |
| Less accumulated depreciation for: | | | | | |
| Buildings and building improvements | 344 | 53 | -- | -- | 397 |
| Equipment | 4,909 | 525 | 264 | (102) | 5,068 |
| Total accumulated depreciation | 5,253 | 578 | 264 | (102) | 5,465 |
| Total capital assets being depreciated, net | 2,593 | 644 | 30 | (32) | 3,175 |
| Nonmajor enterprise funds capital assets, net | 2,783 | 644 | 30 | (32) | 3,365 |
| Total Business-type activities | | | | | |
| Capital assets not being depreciated | 190 | -- | -- | -- | 190 |
| Capital assets being depreciated, net | 2,793 | 719 | 30 | (39) | 3,443 |
| Business-type activities capital assets, net | \$ 2,983 | \$ 719 | \$ 30 | \$ (39) | \$ 3,633 |
| Depreciation expense for business-type activities was charged to functions as follows: | | | | | |
| Water revolving | | | | | \$ 53 |
| Designated account purchase program | | | | | 13 |
| Lottery | | | | | 184 |
| Other | | | | | 394 |
| Total | | | | | \$ 644 |

Table 7-3 (amounts expressed in thousands)

| | Beginning Balance | Additions | Deletions | Transfers and Reclassifications | Ending Balance |
|--|----------------------|---------------|-------------|---------------------------------------|-------------------|
| Fiduciary Funds | | | | | |
| Capital assets not being depreciated: | | | | | |
| Land and land improvements | \$ 1,675 | \$ -- | \$ -- | \$ -- | \$ 1,675 |
| Total capital assets not being depreciated | 1,675 | -- | -- | -- | 1,675 |
| Capital assets being depreciated: | | | | | |
| Site improvements | 418 | -- | -- | -- | 418 |
| Buildings and building improvements | 14,937 | 1,407 | -- | -- | 16,344 |
| Equipment | 20,410 | 864 | 792 | -- | 20,482 |
| Total capital assets being depreciated | 35,765 | 2,271 | 792 | -- | 37,244 |
| Less accumulated depreciation for: | | | | | |
| Site improvements | 336 | 18 | -- | -- | 354 |
| Buildings and building improvements | 7,284 | 494 | -- | -- | 7,778 |
| Equipment | 17,613 | 1,093 | 791 | -- | 17,915 |
| Total accumulated depreciation | 25,233 | 1,605 | 791 | -- | 26,047 |
| Total capital assets being depreciated, net | 10,532 | 666 | 1 | -- | 11,197 |
| Fiduciary funds capital assets, net | \$ 12,207 | \$ 666 | \$ 1 | \$ -- | \$ 12,872 |

Table 7-4 (amounts expressed in thousands)

| | Beginning Balance (as restated) | Additions | Deletions | Transfers and Reclassifications | Ending Balance |
|--|---------------------------------------|-------------------|---------------|---------------------------------------|---------------------|
| Major Component Units | | | | | |
| Illinois Housing Development Authority: | | | | | |
| Capital assets being depreciated: | | | | | |
| Buildings and building improvements | \$ 42,626 | \$ 298 | \$ 1,805 | \$ -- | \$ 41,119 |
| Equipment | 1,965 | -- | 102 | -- | 1,863 |
| Total capital assets being depreciated | 44,591 | 298 | 1,907 | -- | 42,982 |
| Less accumulated depreciation for: | | | | | |
| Buildings and building improvements | 13,616 | 800 | 1,805 | -- | 12,611 |
| Equipment | 1,817 | 18 | 102 | -- | 1,733 |
| Total accumulated depreciation | 15,433 | 818 | 1,907 | -- | 14,344 |
| Total capital assets being depreciated, net | 29,158 | (520) | -- | -- | 28,638 |
| Capital assets, net | \$ 29,158 | \$ (520) | \$ -- | \$ -- | \$ 28,638 |
| Toll Highway Authority: | | | | | |
| Capital assets not being depreciated: | | | | | |
| Land and land improvements | \$ 282,677 | \$ 17,034 | \$ 2 | \$ -- | \$ 299,709 |
| Construction in progress | 660,331 | 1,049,128 | -- | (1,215,913) | 493,546 |
| Total capital assets not being depreciated | 943,008 | 1,066,162 | 2 | (1,215,913) | 793,255 |
| Capital assets being depreciated: | | | | | |
| Infrastructure | 5,707,517 | 12,852 | -- | 1,215,913 | 6,936,282 |
| Buildings and building improvements | 39,034 | 1,875 | -- | -- | 40,909 |
| Equipment | 168,863 | 19,878 | 7,015 | -- | 181,726 |
| Total capital assets being depreciated | 5,915,414 | 34,605 | 7,015 | 1,215,913 | 7,158,917 |
| Less accumulated depreciation for: | | | | | |
| Infrastructure | 2,692,020 | 269,034 | -- | -- | 2,961,054 |
| Buildings and building improvements | 28,101 | 2,041 | -- | -- | 30,142 |
| Equipment | 107,199 | 7,551 | 6,914 | -- | 107,836 |
| Total accumulated depreciation | 2,827,320 | 278,626 | 6,914 | -- | 3,099,032 |
| Total capital assets being depreciated, net | 3,088,094 | (244,021) | 101 | 1,215,913 | 4,059,885 |
| Capital assets, net | \$ 4,031,102 | \$ 822,141 | \$ 103 | \$ -- | \$ 4,853,140 |

Table 7-4 (continued)

(amounts expressed in thousands)

| | Beginning Balance (as restated) | Additions | Deletions | Transfers and Reclassifications | Ending Balance |
|--|---------------------------------------|------------------|---------------|---------------------------------------|-------------------|
| Major Component Units, continued | | | | | |
| Illinois State University: | | | | | |
| Capital assets not being depreciated: | | | | | |
| Land and land improvements | \$ 14,158 | \$ 980 | \$ -- | \$ -- | \$ 15,138 |
| Construction in progress | 42,346 | 51,743 | -- | (12,842) | 81,247 |
| Total capital assets not being depreciated | 56,504 | 52,723 | -- | (12,842) | 96,385 |
| Capital assets being depreciated: | | | | | |
| Infrastructure | 12,683 | -- | -- | -- | 12,683 |
| Site improvements | 25,704 | -- | -- | 3,261 | 28,965 |
| Buildings and building improvements | 371,065 | 8,639 | -- | 9,581 | 389,285 |
| Equipment | 132,734 | 9,295 | 1,539 | -- | 140,490 |
| Total capital assets being depreciated | 542,186 | 17,934 | 1,539 | 12,842 | 571,423 |
| Less accumulated depreciation for: | | | | | |
| Infrastructure | 5,448 | 312 | -- | -- | 5,760 |
| Site improvements | 8,240 | 897 | -- | -- | 9,137 |
| Buildings and building improvements | 171,311 | 7,822 | -- | -- | 179,133 |
| Equipment | 102,034 | 8,111 | 1,415 | -- | 108,730 |
| Total accumulated depreciation | 287,033 | 17,142 | 1,415 | -- | 302,760 |
| Total capital assets being depreciated, net | 255,153 | 792 | 124 | 12,842 | 268,663 |
| Capital assets, net | \$ 311,657 | \$ 53,515 | \$ 124 | \$ -- | \$ 365,048 |
| Northern Illinois University: | | | | | |
| Capital assets not being depreciated: | | | | | |
| Land and land improvements | \$ 23,110 | \$ -- | \$ -- | \$ -- | \$ 23,110 |
| Historic treasures and works of art | 329 | -- | -- | -- | 329 |
| Construction in progress | 21,899 | 27,885 | -- | (17,749) | 32,035 |
| Total capital assets not being depreciated | 45,338 | 27,885 | -- | (17,749) | 55,474 |
| Capital assets being depreciated: | | | | | |
| Site improvements | 57,865 | -- | -- | 3,048 | 60,913 |
| Buildings and building improvements | 455,181 | -- | -- | 10,881 | 466,062 |
| Equipment | 165,573 | 8,509 | 1,547 | -- | 172,535 |
| Intangible assets | -- | -- | -- | 3,820 | 3,820 |
| Total capital assets being depreciated | 678,619 | 8,509 | 1,547 | 17,749 | 703,330 |
| Less accumulated depreciation for: | | | | | |
| Site improvements | 30,314 | 2,131 | -- | -- | 32,445 |
| Buildings and building improvements | 218,467 | 10,866 | -- | -- | 229,333 |
| Equipment | 139,910 | 7,522 | 1,482 | -- | 145,950 |
| Intangible assets | -- | 764 | -- | -- | 764 |
| Total accumulated depreciation | 388,691 | 21,283 | 1,482 | -- | 408,492 |
| Total capital assets being depreciated, net | 289,928 | (12,774) | 65 | 17,749 | 294,838 |
| Capital assets, net | \$ 335,266 | \$ 15,111 | \$ 65 | \$ -- | \$ 350,312 |

Table 7-4 (continued)

(amounts expressed in thousands)

| | Beginning Balance, (as restated) | Additions | Deletions | Transfers and Reclassifications | Ending Balance |
|--|--|------------------|-----------------|---------------------------------------|---------------------|
| Major Component Units, continued | | | | | |
| Southern Illinois University: | | | | | |
| Capital assets not being depreciated: | | | | | |
| Land and land improvements | \$ 21,545 | \$ 315 | \$ -- | \$ -- | \$ 21,860 |
| Historic treasures and works of art | 6,304 | 3,214 | -- | -- | 9,518 |
| Construction in progress | 64,633 | 51,681 | 127 | (53,434) | 62,753 |
| Total capital assets not being depreciated | 92,482 | 55,210 | 127 | (53,434) | 94,131 |
| Capital assets being depreciated: | | | | | |
| Infrastructure | 8,608 | -- | -- | -- | 8,608 |
| Site improvements | 46,933 | 457 | 492 | 5,635 | 52,533 |
| Buildings and building improvements | 834,847 | 3,953 | 173 | 41,452 | 880,079 |
| Equipment | 302,864 | 19,341 | 6,726 | 6,347 | 321,826 |
| Total capital assets being depreciated | 1,193,252 | 23,751 | 7,391 | 53,434 | 1,263,046 |
| Less accumulated depreciation for: | | | | | |
| Infrastructure | 8,607 | 1 | -- | -- | 8,608 |
| Site improvements | 33,506 | 1,357 | 354 | -- | 34,509 |
| Buildings and building improvements | 388,104 | 20,275 | 6 | -- | 408,373 |
| Equipment | 244,786 | 17,388 | 6,427 | -- | 255,747 |
| Total accumulated depreciation | 675,003 | 39,021 | 6,787 | -- | 707,237 |
| Total capital assets being depreciated, net | 518,249 | (15,270) | 604 | 53,434 | 555,809 |
| Capital assets, net | \$ 610,731 | \$ 39,940 | \$ 731 | \$ -- | \$ 649,940 |
| University of Illinois: | | | | | |
| Capital assets not being depreciated: | | | | | |
| Land and land improvements | \$ 130,261 | \$ 6,056 | \$ 181 | \$ 338 | \$ 136,474 |
| Historic treasures and works of art | 15,474 | 563 | 48 | -- | 15,989 |
| Construction in progress | 333,711 | 188,209 | -- | (348,448) | 173,472 |
| Other | -- | 130 | -- | -- | 130 |
| Total capital assets not being depreciated | 479,446 | 194,958 | 229 | (348,110) | 326,065 |
| Capital assets being depreciated: | | | | | |
| Site improvements | 626,860 | -- | -- | 30,157 | 657,017 |
| Buildings and building improvements | 2,982,288 | 7,199 | 521 | 317,953 | 3,306,919 |
| Equipment | 1,579,056 | 110,843 | 61,067 | -- | 1,628,832 |
| Total capital assets being depreciated | 5,188,204 | 118,042 | 61,588 | 348,110 | 5,592,768 |
| Less accumulated depreciation for: | | | | | |
| Site improvements | 257,577 | 22,552 | -- | -- | 280,129 |
| Buildings and building improvements | 993,502 | 78,850 | 195 | -- | 1,072,157 |
| Equipment | 1,165,884 | 114,774 | 56,412 | -- | 1,224,246 |
| Total accumulated depreciation | 2,416,963 | 216,176 | 56,607 | -- | 2,576,532 |
| Total capital assets being depreciated, net | 2,771,241 | (98,134) | 4,981 | 348,110 | 3,016,236 |
| Capital assets, net | \$ 3,250,687 | \$ 96,824 | \$ 5,210 | \$ -- | \$ 3,342,301 |

8 CHANGES IN LONG-TERM OBLIGATIONS

Changes in long-term obligations for governmental activities for the year ended June 30, 2009 are summarized below:

Table 8-1 (amounts expressed in thousands)

| | Balance July 1, 2008, as Restated | Additions | Deletions | Balance June 30, 2009 | Amounts Due Within One Year |
|--|--|---------------------|-----------------------|-----------------------------|-----------------------------------|
| Primary Government | | | | | |
| Governmental Activities | | | | | |
| Bonds payable: | | | | | |
| General obligation bonds (note 9) | \$ 19,991,290 | \$ 199,758 * | \$ (760,096) | \$19,430,952 | \$ 750,066 ^ |
| Special obligation bonds (note 10) | 2,301,228 | 5,451 ** | (160,165) | 2,146,514 | 164,806 ^^ |
| Deferred amount on refundings: | | | | | |
| General obligation bonds (note 9) | (51,038) | -- | 10,534 | (40,504) | (9,702) |
| Special obligation bonds (note 10) | (850) | -- | 425 | (425) | (425) |
| Unamortized premiums: | | | | | |
| General obligation bonds (note 9) | 315,828 | 2,290 | (36,574) | 281,544 | 34,411 |
| Special obligation bonds (note 10) | 64,945 | -- | (6,924) | 58,021 | 6,674 |
| Unamortized (discounts): | | | | | |
| General obligation bonds (note 9) | (2,204) | -- | 120 | (2,084) | (119) |
| Total bonds payable | <u>22,619,199</u> | <u>207,499</u> | <u>(952,680)</u> | <u>21,874,018</u> | <u>945,711</u> |
| Other long-term obligations: | | | | | |
| Capital lease obligations (note 13A) | 9,727 | 63 | (1,054) | 8,736 | 907 |
| Installment purchases (note 13C) | 12,302 | 14,163 | (7,398) | 19,067 | 7,483 |
| Certificates of participation (note 13B) | 90,300 | -- | (7,405) | 82,895 | 6,215 |
| Cape Girardeau bridge (note 13D) | 1,948 | 28 | (1,976) | -- | -- |
| Financing payable under swap agreement (Note 14) | -- | 39,977 | -- | 39,977 | 1,643 |
| Workers compensation (note 19), as restated | 354,496 | 146,405 | (97,974) | 402,927 | 113,236 |
| Auto liability (note 19) | 12,206 | 5,344 | (3,150) | 14,400 | 4,875 |
| Pollution remediation obligation (note 13E) | 30,015 | - | - | 30,015 | -- |
| Compensated absences (note 1M) | 443,017 | 349,820 | (347,351) | 445,486 | 38,163 |
| Net pension obligation (note 16) | 19,196,055 | 1,778,649 | -- | 20,974,704 | -- |
| Net other postemployment benefits obligation (note 17) | 1,238,131 | 1,236,123 | -- | 2,474,254 | -- |
| Other obligations (note 13H) | 7,932 | -- | (1,554) | 6,378 | 6,287 |
| Total other long-term obligations | <u>21,396,129</u> | <u>3,570,572</u> | <u>(467,862)</u> | <u>24,498,839</u> | <u>178,809</u> |
| Total Governmental Activities | <u>\$ 44,015,328</u> | <u>\$ 3,778,071</u> | <u>\$ (1,420,542)</u> | <u>\$46,372,857</u> | <u>\$ 1,124,520</u> |

* Includes \$49,758 of interest accreted on capital appreciation debt.

** Includes \$5,451 of interest accreted on capital appreciation debt.

^ \$919 of interest will be accreted on capital appreciation debt in the next year.

^^ \$969 of interest will be accreted on capital appreciation debt in the next year.

The liabilities for governmental activities of the primary government have been liquidated in prior years as follows:

Compensated absences, certificates of participation, and capital lease obligations (including installment purchases) – by the applicable governmental and internal service funds that accounted for the salaries and wages of the related employees or incurred the obligation.

Workers compensation – by charges from the Workers' Compensation Revolving Fund, an internal service fund, to the applicable fund that would have paid the salaries and wages of the related employees.

Net pension obligation – by the applicable funds that accounted for the salaries and wages of the related employees who are members of the General Assembly Retirement System, the Judges' Retirement System or the State Employees' Retirement System. In addition, appropriations from the General Fund have been used to liquidate amounts for employees who are members of the Teachers' Retirement System or the State Universities Retirement System.

Net other postemployment benefit obligation – by the applicable funds that accounted for the salaries and wages of the related employees who are members of the State's group insurance programs. In addition, appropriations from the General Fund are used to liquidate amounts for employees of the State's university component units.

Other – by the applicable governmental funds that incurred the obligation as discussed in Note 13.

Changes in long-term obligations for business-type activities for the year ended June 30, 2009 are summarized below:

Table 8-2 (amounts expressed in thousands)

| | Balance July 1, 2008 | Additions | Deletions | Balance June 30, 2009 | Amounts Due Within One Year |
|--|----------------------------|-------------------|--------------------|-----------------------------|-----------------------------------|
| Primary Government | | | | | |
| Business-type Activities | | | | | |
| Business-type Activities | | | | | |
| Water Revolving Fund | | | | | |
| Other long-term obligations: | | | | | |
| Capital lease obligations (note 13A) | \$ 5 | \$ -- | \$ (2) | \$ 3 | \$ 1 |
| Compensated absences (note 1M) | 1,307 | 629 | (600) | 1,336 | 50 |
| Total Water Revolving Fund | <u>1,312</u> | <u>629</u> | <u>(602)</u> | <u>1,339</u> | <u>51</u> |
| Prepaid Tuition Fund: | | | | | |
| Tuition and related accretion payable (note 13G) | 1,102,406 | 182,096 | (62,648) | 1,221,854 | 60,000 |
| Compensated absences (note 1M) | 79 | 68 | (79) | 68 | 7 |
| Total Prepaid Tuition Fund | <u>1,102,485</u> | <u>182,164</u> | <u>(62,727)</u> | <u>1,221,922</u> | <u>60,007</u> |
| Designated Account Purchase Program: | | | | | |
| Bonds and notes payable: | | | | | |
| Revenue bonds (note 11) | 884,400 | 146,100 | -- | 1,030,500 | 96,100 |
| Unamortized (discounts): | | | | | |
| Revenue bonds (note 11) | (4,959) | (340) | 2,099 | (3,200) | -- |
| Total bonds and notes payable | <u>879,441</u> | <u>145,760</u> | <u>2,099</u> | <u>1,027,300</u> | <u>96,100</u> |
| Other long-term obligations: | | | | | |
| Compensated absences (note 1M) | 611 | 381 | (393) | 599 | 449 |
| Total Designated Account Purchase Program | <u>880,052</u> | <u>146,141</u> | <u>1,706</u> | <u>1,027,899</u> | <u>96,549</u> |
| Nonmajor Enterprise Funds: | | | | | |
| Lottery prize awards (note 13F) | 1,010 | -- | (44) | 966 | 96 |
| Compensated absences (note 1M) | 6,522 | 3,537 | (3,248) | 6,811 | 508 |
| Other obligations (note 13H) | 10,170 | 1,073 | (2,186) | 9,057 | 2,300 |
| Total Nonmajor Enterprise Funds | <u>17,702</u> | <u>4,610</u> | <u>(5,478)</u> | <u>16,834</u> | <u>2,904</u> |
| Total Business-type Activities | <u>\$ 2,001,551</u> | <u>\$ 333,544</u> | <u>\$ (67,101)</u> | <u>\$ 2,267,994</u> | <u>\$ 159,511</u> |

Changes in long-term obligations for fiduciary funds for the year ended June 30, 2009 are summarized below:

Table 8-3 (amounts expressed in thousands)

| | Balance July 1, 2008 | Additions | Deletions | Balance June 30, 2009 | Amounts Due Within One Year |
|--------------------------------------|----------------------------|-----------------|-------------------|-----------------------------|-----------------------------------|
| Fiduciary Funds | | | | | |
| Capital lease obligations (note 13A) | \$ 28 | \$ -- | \$ (13) | \$ 15 | \$ 13 |
| Compensated absences (note 1M) | 3,460 | 1,751 | (1,542) | 3,669 | 31 |
| Total Fiduciary Funds | <u>\$ 3,488</u> | <u>\$ 1,751</u> | <u>\$ (1,555)</u> | <u>\$ 3,684</u> | <u>\$ 44</u> |

Changes in long-term obligations for component units for the year ended June 30, 2009 are summarized below:

Table 8-4 (amounts expressed in thousands)

| | Balance July 1, 2008 | Additions | Deletions | Balance June 30, 2009 | Amounts Due Within One Year |
|---|----------------------------|---------------------|---------------------|-----------------------------|-----------------------------------|
| Major Component Units | | | | | |
| Illinois Housing Development Authority: | | | | | |
| Bonds and notes payable: | | | | | |
| Revenue bonds (note 11) | \$ 1,648,474 | \$ -- | \$ (116,119) | \$ 1,532,355 | \$ 105,045 |
| Notes payable (note 12) | 4,566 | 1,667 | -- | 6,233 | -- |
| Deferred amount on refundings (note 11) | (9,661) | -- | 1,336 | (8,325) | (1,280) |
| Unamortized (discounts) (note 11) | (142) | -- | 3 | (139) | (61) |
| Unamortized premiums (note 11) | 1,736 | -- | (154) | 1,582 | 157 |
| Total bonds and notes payable | <u>1,644,973</u> | <u>1,667</u> | <u>(114,934)</u> | <u>1,531,706</u> | <u>103,861</u> |
| Other long-term obligations: | | | | | |
| Compensated absences (note 1M) | 423 | 382 | (122) | 683 | 683 |
| Other obligations (note 13H) | -- | 14,885 | -- | 14,885 | -- |
| Total other long-term obligations | <u>423</u> | <u>15,267</u> | <u>(122)</u> | <u>15,568</u> | <u>683</u> |
| Total Illinois Housing Development Authority | \$ 1,645,396 | \$ 16,934 | \$ (115,056) | \$ 1,547,274 | \$ 104,544 |
| Illinois State Toll Highway Authority: | | | | | |
| Bonds and notes payable: | | | | | |
| Revenue bonds (note 11) | \$ 3,035,060 | \$ 1,116,200 | \$ (758,370) | \$ 3,392,890 | \$ 97,150 |
| Deferred amount on refundings (note 11) | (17,955) | (39,720) | 4,212 | (53,463) | (3,641) |
| Unamortized (discounts) (note 11) | -- | (9,079) | -- | (9,079) | (378) |
| Unamortized premiums (note 11) | 97,419 | -- | (30,223) | 67,196 | 5,275 |
| Total bonds and notes payable | <u>3,114,524</u> | <u>1,067,401</u> | <u>(784,381)</u> | <u>3,397,544</u> | <u>98,406</u> |
| Other long-term obligations: | | | | | |
| Accrued self-insurance (note 19) | 10,689 | 5,439 | (5,250) | 10,878 | 10,878 |
| Compensated absences (note 1M) | 6,252 | 6,149 | (5,179) | 7,222 | 4,189 |
| Other obligations (note 13H) | 41 | -- | (34) | 7 | 7 |
| Total other long-term obligations | <u>16,982</u> | <u>11,588</u> | <u>(10,463)</u> | <u>18,107</u> | <u>15,074</u> |
| Total Illinois State Toll Highway Authority | \$ 3,131,506 | \$ 1,078,989 | \$ (794,844) | \$ 3,415,651 | \$ 113,480 |
| Illinois State University: | | | | | |
| Bonds and notes payable: | | | | | |
| Revenue bonds (note 11) | \$ 112,274 | \$ 1,256 | \$ (5,330) | \$ 108,200 | \$ 5,246 [^] |
| Unamortized premiums (note 11) | 340 | -- | (56) | 284 | 56 |
| Unamortized (discounts) (note 11) | (925) | -- | 50 | (875) | (50) |
| Total bonds and notes payable | <u>111,689</u> | <u>1,256</u> | <u>(5,336)</u> | <u>107,609</u> | <u>5,252</u> |
| Other long-term obligations: | | | | | |
| Capital lease obligations (note 13A) | 128 | -- | (128) | -- | -- |
| Certificates of participation (note 13B) | 22,230 | -- | -- | 22,230 | 825 |
| Unamortized (discounts) (note 13B) | (93) | -- | 5 | (88) | (5) |
| Installment purchase obligations (note 13C) | -- | 3,300 | (52) | 3,248 | 61 |
| Compensated absences (note 1M) | 18,233 | 1,612 | (1,748) | 18,097 | 1,761 |
| Other obligations (note 13H) | 338 | 16 | -- | 354 | 34 |
| Total other long-term obligations | <u>40,836</u> | <u>4,928</u> | <u>(1,923)</u> | <u>43,841</u> | <u>2,676</u> |
| Total Illinois State University | \$ 152,525 | \$ 6,184 | \$ (7,259) | \$ 151,450 | \$ 7,928 |

[^] \$134 of interest will be accreted on capital appreciation debt in the next year.

Table 8-4 (continued)
(amounts expressed in thousands)

| | Balance July 1, 2008 | Additions | Deletions | Balance June 30, 2009 | Amounts Due Within One Year |
|---|----------------------------|-------------------|---------------------|-----------------------------|-----------------------------------|
| Major Component Units, continued | | | | | |
| Northern Illinois University: | | | | | |
| Bonds and notes payable: | | | | | |
| Revenue bonds (note 11) | \$ 105,242 | \$ 1,450 | \$ (6,060) | \$ 100,632 | \$ 6,059 [^] |
| Notes payable (note 12) | 626 | -- | (37) | 589 | 119 |
| Total bonds and notes payable | 105,868 | 1,450 | (6,097) | 101,221 | 6,178 |
| Other long-term obligations: | | | | | |
| Capital lease obligations (note 13A) | 20,629 | -- | (368) | 20,261 | 388 |
| Certificates of participation (note 13B) | 4,920 | -- | (365) | 4,555 | 390 |
| Compensated absences (note 1M) | 24,020 | 8,609 | (8,896) | 23,733 | 1,535 |
| Other obligations (note 13H) | 20,460 | 4,005 | (1,862) | 22,603 | 2,210 |
| Total other long-term obligations | 70,029 | 12,614 | (11,491) | 71,152 | 4,523 |
| Total Northern Illinois University | \$ 175,897 | \$ 14,064 | \$ (17,588) | \$ 172,373 | \$ 10,701 |
| Southern Illinois University: | | | | | |
| Bonds and notes payable: | | | | | |
| Revenue bonds (note 11) | \$ 256,352 | \$ 58,119 | \$ (12,815) | \$ 301,656 | \$ 13,056 ^{^^} |
| Notes payable (note 12) | 88 | 1,100 | (88) | 1,100 | -- |
| Deferred amount on refundings (note 11) | (2,033) | -- | 248 | (1,785) | (248) |
| Unamortized premiums (note 11) | 6,296 | 226 | (313) | 6,209 | 322 |
| Total bonds and notes payable | 260,703 | 59,445 | (12,968) | 307,180 | 13,130 |
| Other long-term obligations: | | | | | |
| Capital lease obligations (note 13A) | 1,411 | 142 | (1,135) | 418 | 231 |
| Certificates of participation (note 13B) | 28,360 | -- | (2,670) | 25,690 | 2,770 |
| Unamortized (discounts) (note 13B) | (69) | -- | 3 | (66) | (4) |
| Accrued self-insurance (note 19) | 15,688 | 11,610 | (9,570) | 17,728 | 9,140 |
| Compensated absences (note 1M) | 47,967 | 5,568 | (3,432) | 50,103 | 3,713 |
| Other obligations (note 13H) | 4,993 | 1,725 | (2,205) | 4,513 | 591 |
| Total other long-term obligations | 98,350 | 19,045 | (19,009) | 98,386 | 16,441 |
| Total Southern Illinois University | \$ 359,053 | \$ 78,490 | \$ (31,977) | \$ 405,566 | \$ 29,571 |
| University of Illinois: | | | | | |
| Bonds and notes payable: | | | | | |
| Revenue bonds (note 11) | \$ 1,118,061 | \$ 148,760 | \$ (193,855) | \$ 1,072,966 | \$ 32,767 ^{^^^} |
| Deferred amount on refundings (note 11) | (19,153) | (1,762) | 1,210 | (19,705) | (1,231) |
| Unamortized premiums (note 11) | 33,388 | 2,185 | (1,237) | 34,336 | 1,342 |
| Total bonds and notes payable | 1,132,296 | 149,183 | (193,882) | 1,087,597 | 32,878 |
| Other long-term obligations: | | | | | |
| Capital lease obligations (note 13A) | 22,639 [*] | 772 | (6,909) | 16,502 | 5,283 |
| Certificates of participation (note 13B) | 588,690 | 113,230 | (131,400) | 570,520 | 233,160 |
| Deferred amount on refundings (note 13B) | (14,805) | (416) | 1,952 | (13,269) | (9,199) |
| Unamortized premiums (note 13B) | 16,072 | 381 | (1,739) | 14,714 | 1,520 |
| Financing payable under swap (note 14) | -- | 3,665 | -- | 3,665 | 212 |
| Accrued self-insurance (note 19) | 177,168 | 77,348 | (72,689) | 181,827 | 54,311 |
| Compensated absences (note 1M) | 214,344 | 23,043 | (18,737) | 218,650 | 18,706 |
| Other obligations (note 13H) | 65,823 | 48 | (16,001) | 49,870 | 6,115 |
| Total other long-term obligations | 1,069,931 | 218,071 | (245,523) | 1,042,479 | 310,108 |
| Total University of Illinois | \$ 2,202,227 | \$ 367,254 | \$ (439,405) | \$ 2,130,076 | \$ 342,986 |

[^] \$116 of interest will be accreted on capital appreciation debt in the next year.^{^^} \$134 of interest will be accreted on capital appreciation debt in the next year.^{^^^} \$838 of interest will be accreted on capital appreciation debt in the next year.

9 GENERAL OBLIGATION BONDS

General obligation bonds outstanding and bonds authorized but unissued at June 30, 2009 are as follows:

Table 9-1 (amounts expressed in thousands)

Governmental Activities

| | | Original Issue Amount | Final Maturity | Interest Rate Ranges | Anti- Pollution | Capital Development | Coal Development |
|---------------------------------|------|-----------------------------|-------------------|-------------------------|--------------------|------------------------|---------------------|
| General: | | | | | | | |
| 1984-W | | \$ 20,000 | 9/1/2009 | 8.75% | \$ 800 | \$ -- | \$ -- |
| Multiple Purpose Series: | | | | | | | |
| November | 1989 | 250,000 | 8/1/2010 | Accreted* | 1,189 | 33,773 | -- |
| November | 1990 | 250,000 | 8/1/2011 | Accreted* | -- | 43,674 | -- |
| September | 1991 | 209,793 | 8/1/2012 | Accreted* | 687 | 45,205 | 1,248 |
| October | 1992 | 249,991 | 8/1/2013 | Accreted* | 1,397 | 67,901 | 1,109 |
| October | 1993 | 169,399 | 8/1/2015 | Accreted* | 6,517 | 25,661 | 384 |
| October | 1994 | 209,816 | 8/1/2016 | Accreted* | 9,589 | 76,643 | 2,785 |
| December | 1995 | 315,795 | 12/1/2011 | 5.125% | -- | -- | -- |
| December | 1995 | 184,205 | 12/1/2020 | 5.125% to 5.25% | -- | 32,298 | -- |
| February | 1997 | 84,945 | 2/1/2011 | 5.125% to 5.15% | -- | -- | -- |
| February | 1997 | 165,055 | 2/1/2012 | 5.125% to 5.2% | 2,623 | 12,690 | -- |
| July | 1997 | 100,000 | 7/1/2022 | 4.8% to 5.25% | 11,375 | 20,853 | -- |
| November | 1997 | 168,330 | 8/1/2019 | Accreted* | -- | 120,244 | -- |
| April | 1998 | 119,850 | 4/1/2012 | 5.0% to 5.5% | -- | -- | -- |
| April | 1998 | 130,150 | 4/1/2023 | 5.0% to 5.5% | -- | 79,884 | 3,189 |
| June | 1998 | 200,000 | 6/1/2023 | 4.75% to 5.0% | -- | 36,300 | -- |
| November | 1998 | 122,334 | 8/1/2020 | Accreted* | -- | 54,243 | -- |
| March | 1999 | 169,255 | 3/1/2013 | 5.0% to 5.125% | -- | -- | -- |
| March | 1999 | 230,745 | 3/1/2024 | 4.75% to 5.125% | 2,833 | 60,113 | 1,115 |
| June | 1999 | 250,000 | 6/1/2024 | 5.0% to 5.375% | -- | 110,693 | -- |
| October | 1999 | 100,000 | 10/1/2017 | 5.875% to 6.0% | -- | 852 | 2,137 |
| January | 2000 | 160,000 | 1/1/2020 | 5.375% to 6.1% | -- | 24,150 | -- |
| April | 2000 | 300,000 | 4/1/2025 | 5.0% to 5.7% | -- | 57,600 | -- |
| June | 2000 | 300,000 | 6/1/2019 | 5.25% to 5.7% | 600 | 20,400 | -- |
| August | 2000 | 300,000 | 8/1/2025 | 5.375% to 5.625% | -- | 41,250 | -- |
| October | 2000 | 101,855 | 8/1/2022 | Accreted* | -- | 29,667 | -- |
| December | 2000 | 300,000 | 12/1/2025 | 5.375% to 5.75% | 3,766 | 90,384 | 1,000 |
| April | 2001 | 112,810 | 4/1/2016 | 5.25% to 5.375% | -- | -- | -- |
| April | 2001 | 163,190 | 4/1/2021 | 5.25% to 5.375% | 4,017 | 29,210 | 1,460 |
| May | 2001 | 300,000 | 5/1/2026 | 5.125% to 5.5% | -- | 110,683 | 2,290 |
| August | 2001 | 375,000 | 8/1/2026 | 5.0% to 5.5% | 5,841 | 64,255 | 2,921 |
| November | 2001 | 375,000 | 11/1/2026 | 5.0% to 6.0% | 6,347 | 75,652 | -- |
| December | 2001 | 318,775 | 10/1/2014 | 5.0% to 5.375% | -- | -- | -- |
| February | 2002 | 375,000 | 2/1/2027 | 4.6% to 5.5% | 7,200 | 90,000 | -- |
| March | 2002 | 375,000 | 4/1/2027 | 5.1% to 5.5% | -- | 91,800 | -- |
| April | 2002 | 79,695 | 4/1/2013 | 5.5% | -- | -- | -- |
| July | 2002 | 395,000 | 7/1/2027 | 5.0% to 5.375% | 5,210 | 61,405 | 2,233 |
| August | 2002 | 564,900 | 8/1/2019 | 5.25% to 5.5% | -- | -- | -- |
| October | 2002 | 395,000 | 10/1/2027 | 4.75% to 5.25% | -- | 72,911 | -- |
| October | 2002 | 62,079 | 8/1/2024 | Accreted* | 3,552 | 10,710 | 1,421 |
| December | 2002 | 400,000 | 12/1/2027 | 5.0% to 5.375% | 4,579 | 170,662 | 2,081 |
| June | 2003 | 460,000 | 6/1/2028 | 4.25% to 5.0% | 10,592 | 109,452 | -- |
| June | 2003 | 10,000,000 | 6/1/2033 | 3.3% to 5.1% | -- | -- | -- |
| A-October | 2003 | 363,000 | 10/1/2020 | 4.0% to 5.25% | 4,500 | 23,540 | -- |
| B-October | 2003 | 40,170 | 10/1/2021 | Variable** | -- | -- | -- |
| B-October | 2003 | 559,830 | 10/1/2033 | Variable** | 18,990 | 104,965 | -- |
| A-March | 2004 | 484,400 | 3/1/2034 | 5.0% | 13,385 | 130,170 | -- |
| B-March | 2004 | 344,775 | 3/1/2014 | 5.0% | -- | -- | -- |
| September | 2004 | 285,000 | 9/1/2029 | 4.5% to 5.0% | -- | 37,800 | -- |
| November | 2004 | 275,000 | 11/1/2029 | 5.0% | 4,200 | 98,805 | -- |
| April | 2005 | 315,000 | 4/1/2030 | 5.0% | -- | 71,400 | -- |
| September | 2005 | 300,000 | 9/1/2030 | 3.25% to 5.0% | -- | 104,720 | -- |
| January | 2006 | 325,000 | 1/1/2031 | 5.0% to 5.5% | -- | 103,840 | 2,640 |
| June | 2006 | 274,950 | 1/1/2021 | 5.0% | -- | -- | -- |
| A-June | 2006 | 285,000 | 6/1/2031 | 5.0% | -- | 164,560 | 3,335 |
| B-June | 2006 | 15,000 | 6/1/2011 | 4.25% | -- | 6,000 | -- |
| April | 2007 | 150,000 | 4/1/2032 | 4.5% to 5.0% | -- | 87,400 | -- |
| A-June | 2007 | 108,000 | 6/1/2025 | 4.5% to 5.5% | -- | 37,794 | -- |
| B-June | 2007 | 329,000 | 1/1/2021 | 4.25% to 5.25% | -- | -- | -- |
| April | 2008 | 125,000 | 4/1/2033 | 4.0% to 5.0% | -- | 96,000 | -- |
| April | 2009 | 150,000 | 4/1/2034 | 3.0% to 5.25% | -- | 65,000 | 25,000 |
| Total | | \$ 24,642,092 | | | \$ 129,789 | \$ 3,103,212 | \$ 56,348 |
| Authorized but Unissued | | | | | \$ 23,554 | \$ 758,446 | \$ 571,894 |

* Accreted bonds are shown at their accreted values as of 6/30/09. Imputed interest rates on these capital appreciation bonds range from 3.45% to 7.2%.

** See Note 14--Derivatives for details on the variable rate bonds.

Table 9-1 (amounts expressed in thousands)
(continued)

| Pension | School Construction | Transportation "A" | Transportation "B" | Refunding | Principal Outstanding June 30, 2009 | Amount Related to Capital Assets |
|---------------------|------------------------|-----------------------|-------------------------------|---------------------|---|---|
| \$ -- | \$ -- | \$ -- | \$ -- | \$ -- | \$ 800 | \$ -- |
| -- | 1,427 | 11,892 | 11,178 | -- | 59,459 | 9,649 |
| -- | -- | 20,721 | 15,301 | -- | 79,696 | 15,086 |
| -- | 1,153 | 19,154 | 18,053 | -- | 85,500 | 17,499 |
| -- | 3,321 | 19,415 | 29,005 | 9,213 | 131,361 | 27,885 |
| -- | 88 | 24,034 | 11,171 | -- | 67,855 | 16,087 |
| -- | -- | 14,102 | 15,230 | -- | 118,349 | 22,136 |
| -- | -- | -- | -- | 1,046 | 1,046 | 690 |
| -- | 606 | -- | 4,281 | -- | 37,185 | 21,653 |
| -- | -- | -- | -- | 1,552 | 1,552 | 1,026 |
| -- | 1,089 | -- | 5,246 | -- | 21,648 | 8,671 |
| -- | -- | -- | 5,687 | -- | 37,915 | 8,854 |
| -- | -- | -- | 18,078 | -- | 138,322 | 50,121 |
| -- | -- | -- | -- | 13,276 | 13,276 | 8,007 |
| -- | -- | -- | -- | -- | 83,073 | 58,197 |
| -- | 26,400 | -- | 3,300 | -- | 66,000 | 23,236 |
| -- | 1,333 | -- | 14,274 | -- | 69,850 | 19,463 |
| -- | -- | -- | -- | 80,495 | 80,495 | 55,650 |
| -- | 58,546 | -- | 14,898 | -- | 137,505 | 34,330 |
| -- | 9,307 | -- | -- | -- | 120,000 | 70,842 |
| -- | 20,325 | 3,587 | 2,989 | -- | 29,890 | 4,439 |
| -- | 21,000 | 7,000 | 3,850 | -- | 56,000 | 18,193 |
| -- | 48,000 | 28,800 | 9,600 | -- | 144,000 | 65,536 |
| -- | 18,000 | 17,000 | 4,000 | -- | 60,000 | 30,927 |
| -- | 27,500 | 55,000 | 41,250 | -- | 165,000 | 79,711 |
| -- | 45,877 | -- | -- | -- | 75,544 | 14,864 |
| -- | 66,250 | -- | -- | -- | 161,400 | 49,707 |
| -- | -- | -- | -- | 110,615 | 110,615 | 62,052 |
| -- | 13,944 | 10,954 | -- | -- | 59,585 | 22,058 |
| -- | 53,433 | 53,433 | 9,160 | -- | 228,999 | 113,041 |
| -- | 64,255 | 67,175 | 14,603 | -- | 219,050 | 97,054 |
| -- | 95,644 | 38,080 | 22,277 | -- | 238,000 | 76,519 |
| -- | -- | -- | -- | 169,340 | 169,340 | 97,564 |
| -- | 108,000 | 36,000 | 28,800 | -- | 270,000 | 68,524 |
| -- | 88,400 | 40,800 | 34,000 | -- | 255,000 | 88,580 |
| -- | -- | -- | -- | 38,165 | 38,165 | 28,957 |
| -- | 126,532 | 87,456 | 11,165 | -- | 294,001 | 117,190 |
| -- | -- | -- | -- | 455,620 | 455,620 | 256,153 |
| -- | 145,823 | 47,393 | 21,873 | -- | 288,000 | 79,506 |
| -- | -- | 24,861 | 3,552 | -- | 44,096 | 21,729 |
| -- | 51,615 | 62,438 | 41,625 | -- | 333,000 | 137,724 |
| -- | 112,983 | 70,614 | 21,184 | -- | 324,825 | 122,717 |
| 9,900,000 | -- | -- | -- | -- | 9,900,000 | -- |
| -- | 48,010 | 41,660 | 9,040 | 220,725 | 347,475 | 173,690 |
| -- | -- | -- | -- | 40,170 | 40,170 | 20,738 |
| -- | 211,945 | 183,945 | 39,985 | -- | 559,830 | 238,074 |
| -- | 134,840 | 144,115 | 27,890 | -- | 450,400 | 203,170 |
| -- | -- | -- | -- | 214,300 | 214,300 | 113,364 |
| -- | 84,000 | 100,800 | 16,800 | -- | 239,400 | 110,483 |
| -- | 69,930 | 47,040 | 11,025 | -- | 231,000 | 69,357 |
| -- | 68,880 | 102,480 | 21,840 | -- | 264,600 | 139,546 |
| -- | 81,840 | 51,040 | 26,400 | -- | 264,000 | 82,131 |
| -- | 87,120 | 53,680 | 38,720 | -- | 286,000 | 92,629 |
| -- | -- | -- | -- | 219,960 | 219,960 | 116,306 |
| -- | 18,480 | 30,105 | 34,320 | -- | 250,800 | 120,199 |
| -- | -- | -- | -- | -- | 6,000 | 6,000 |
| -- | 21,160 | 10,120 | 19,320 | -- | 138,000 | 58,590 |
| -- | 9,246 | 12,000 | 36,960 | -- | 96,000 | 35,299 |
| -- | -- | -- | -- | 282,000 | 282,000 | 146,409 |
| -- | -- | 9,600 | 14,400 | -- | 120,000 | 47,589 |
| -- | -- | -- | 60,000 | -- | 150,000 | 32,051 |
| <u>\$ 9,900,000</u> | <u>\$ 2,046,302</u> | <u>\$ 1,546,494</u> | <u>\$ 792,330</u> | <u>\$ 1,856,477</u> | 19,430,952 | 3,927,452 |
| <u>\$ --</u> | <u>\$ 183,584</u> | <u>\$ 2,099,204</u> | <u>\$ 1,184,082</u> | <u>\$ 2,988,399</u> | | |
| | | | Deferred amount on refundings | | (40,504) | (21,856) |
| | | | Unamortized premiums | | 281,544 | 119,270 |
| | | | Unamortized (discounts) | | (2,084) | -- |
| | | | Total | | <u>\$ 19,669,908</u> | <u>\$ 4,024,866</u> |

General obligation bonds have been authorized and issued primarily to provide funds for acquisition and construction of capital facilities for higher education, public and mental health, correction, and conservation purposes and for maintenance and construction of highway and waterway facilities. Bonds have been issued to provide assistance to municipalities for construction of sewage treatment facilities, port districts, aquarium facilities, local schools, mass transportation and aviation purposes, and to fund research and development of coal as an energy source. Bonds were also issued for the purpose of making contributions to the following designated retirement systems: State Employees' Retirement System of Illinois; Teachers' Retirement System of the State of Illinois; State Universities Retirement System; Judges' Retirement System of Illinois; and General Assembly Retirement System. In addition, bonds have been authorized to refund any general obligation bonds outstanding.

The State Constitution provides that the State may issue general obligation bonds for specific purposes in such amounts as provided either by the General Assembly with a three-fifths vote of each house or by a majority of voters in a general election. The enabling acts pursuant to which the bonds are issued provide that all bonds issued thereunder shall be direct obligations of the State of Illinois and pledge the full faith and credit of the State. Effective July 30, 2004, general obligation bonds are to be redeemed over a period not to exceed 25 years from available resources in the debt service funds. Previously, bonds have been issued which mature in varying amounts over periods not exceeding 30 years. With the exception of anti-pollution bonds, Illinois offerings generally have a call option of the State. Calls can begin 10 years following the date of issuance, in whole or in part, in such order as the State shall determine and at a redemption price not to exceed par value.

The following Public Acts, passed by the General Assembly, amended the General Obligation Bond Act (30 ILCS 330 et seq.): Public Act 95-1026, effective January 12, 2009, increased the authorized bond limits for Coal Development to \$698.2 million; Public Act 96-5, effective April 3, 2009, increased the authorized bond limits for Transportation 'A' bonds to \$5.432 billion and Transportation 'B' bonds to \$2.881 billion; Public Act 96-18, effective June 26, 2009 increased the amount of Refunding bonds that could be outstanding at any one time to \$4.839 billion.

Changes in general obligation bonds during the year ended June 30, 2009, are summarized in Note 8. Future general obligation debt service requirements at June 30, 2009 are as follows:

| Table 9-2 (amounts expressed in thousands) | | | |
|--|-------------------------|----------------------|----------------------|
| Year Ending June 30 | Governmental Activities | | |
| | Principal | Interest | Total |
| 2010 | \$ 750,985 | \$ 944,734 | \$ 1,695,719 |
| 2011 | 739,795 | 916,999 | 1,656,794 |
| 2012 | 722,440 | 891,170 | 1,613,610 |
| 2013 | 709,920 | 863,759 | 1,573,679 |
| 2014 | 688,595 | 836,047 | 1,524,642 |
| 2015-2019 | 3,332,590 | 3,707,830 | 7,040,420 |
| 2020-2024 | 3,653,305 | 2,881,859 | 6,535,164 |
| 2025-2029 | 4,529,815 | 1,860,392 | 6,390,207 |
| 2030-2034 | 4,465,230 | 590,626 | 5,055,856 |
| | 19,592,675 | <u>\$ 13,493,416</u> | <u>\$ 33,086,091</u> |
| Less: Unaccreted appreciation | (161,723) | | |
| | 19,430,952 | | |
| Deferred amount on refundings | (40,504) | | |
| Unamortized premiums | 281,544 | | |
| Unamortized (discounts) | (2,084) | | |
| Total | <u>\$ 19,669,908</u> | | |

The State has issued \$600 million in variable rate general obligation bonds. Information regarding the June 30, 2009 valuations and risks associated with these bonds are included in Note 14—Derivatives.

10 SPECIAL OBLIGATION BONDS

Special obligation bonds have been authorized and issued to provide funds for the Build Illinois Program and the State's Metropolitan Civic Center Support Program, and to refund any bonds previously issued under these programs.

The Build Illinois Program was implemented to expand the State's efforts in economic development by providing financing in certain areas. These areas include construction, reconstruction, modernization and extension of the State's infrastructure; development and improvement of educational, scientific, technical and vocational programs and facilities; expansion of health and human services in the State; protection, preservation, restoration and conservation of the State's environmental and natural resources; and provision of incentives for the location and expansion of businesses in Illinois resulting in increased employment.

The State has pledged the following portions of the State's tax revenues, net of related expenses, to annually repay the debt service requirements of the remaining principal and interest of \$2.9 billion in special obligation bonds related to the Build Illinois Program:

| | Annual Revenue Amount | Total Revenue for Source |
|---|-----------------------------|--------------------------------|
| 4.44% of general sales tax revenues plus \$37.8 million | \$ 428,577 | \$ 9,156,235 |
| 50% of hotel operators tax | 97,182 | 193,937 |
| \$5 million of vehicle use tax | 5,000 | 32,463 |
| Total | <u>\$ 530,759</u> | <u>\$ 9,382,635</u> |
| Principal and interest requirements | <u>\$ 265,264</u> | |
| Percentage to principal and interest requirements | <u>200%</u> | |

The annual revenue amounts are generally consistent year to year with increases or decreases related to economic conditions in the State. Additional issuances of bonds for the Build Illinois Program cannot be undertaken if the debt service exceeds 5% of the State's total sales tax revenues.

The State's Metropolitan Civic Center Support Program was implemented to provide funding for single or multi-purpose projects. The primary function of which is to provide public entertainment, exhibitions or conventions, or to provide parking facilities related thereto. Also, a portion (not to exceed \$10 million) is authorized for the purpose of making construction and improvement grants by the Secretary of State, as State Librarian, to public libraries and library systems.

The State originally pledged a portion of the State's horse racing privilege tax to repay the principal and interest of \$160 million in special obligation bonds related to the State's Metropolitan Civic Center Support Program. Upon the abolishment of the horse racing privilege tax, the State annually uses amounts from the General Revenue Account, a sub-account of the

General Fund, to pay the debt service of the special obligation bonds related to the State's Metropolitan Civic Center Support Program.

Effective July 30, 2004, special obligation bonds are to be redeemed over a period not to exceed 25 years. Previously, bonds have been issued which mature in varying amounts over periods not exceeding 30 years. Additionally, these bonds have call provisions providing for early redemption at the option of the State, beginning 10 years following the date of issuance, in whole or in part, in such order as the State shall determine and within any maturity by lot at varying premiums which decrease periodically.

Special obligation bonds outstanding and bonds authorized but unissued for governmental activities at June 30, 2009, are as follows:

| Governmental Activities | | | | Build Illinois | | |
|---|-----------------------|----------------|----------------------|-----------------------|----------------------|-------------------|
| | | | | Public Infrastructure | Business Development | Education |
| | Original Issue Amount | Final Maturity | Interest Rate Ranges | | | |
| Series 1990-B | 4,601 | 12/15/2019 | Accreted* | \$ -- | \$ -- | \$ -- |
| Series L | 52,001 | 6/15/2015 | Accreted* | 50,306 | 2,381 | 5,889 |
| Series 1991 | 74,895 | 12/15/2020 | 6.25% | -- | -- | -- |
| Series O | 22,711 | 6/15/2013 | Accreted* | -- | -- | -- |
| Series P | 100,000 | 6/15/2022 | 6.5% | 49,582 | -- | 14,364 |
| Series Q | 416,890 | 6/15/2012 | 6.0% | -- | -- | -- |
| Series S | 256,815 | 6/15/2010 | 5.1% | -- | -- | -- |
| Series S | 74,830 | 6/15/2018 | 5.1% to 5.25% | 6,992 | -- | 4,880 |
| Series U | 100,000 | 6/15/2019 | 5.0% | 19,479 | -- | 20,414 |
| Series W | 80,000 | 6/15/2016 | 5.0% | 26,904 | -- | 11,226 |
| Series X | 60,000 | 6/15/2017 | 5.3% to 5.6% | 25,770 | -- | 4,946 |
| Series Y | 145,475 | 6/15/2018 | 4.9% to 5.25% | -- | -- | -- |
| Series 1998 | 37,590 | 12/15/2015 | 4.75% to 5.25% | -- | -- | -- |
| Series Z | 60,000 | 6/15/2019 | 4.5% to 5.0% | 24,269 | -- | 3,932 |
| Series 2000 | 50,280 | 12/15/2015 | 5.25% to 5.5% | -- | -- | -- |
| Series of May 2000 | 125,000 | 6/15/2020 | 6.0% to 6.25% | 47,520 | 13,200 | 2,640 |
| Series of March 2001 | 125,165 | 6/15/2016 | 5.5% | -- | -- | -- |
| Series of June 2001 | 125,000 | 6/15/2021 | 5.125% to 5.5% | 61,200 | 10,800 | 10,800 |
| Series of September 2001 | 110,450 | 6/15/2020 | 4.5% to 5.375% | -- | -- | -- |
| Series of April 2002 | 150,000 | 6/15/2027 | 5.5% to 6.0% | 50,667 | 8,000 | 18,667 |
| Series of May 2002 | 50,310 | 6/15/2014 | 5.5% | -- | -- | -- |
| Second Series of May 2002 | 94,815 | 6/15/2020 | 5.5% to 5.75% | -- | -- | -- |
| Series of November 2002 | 182,225 | 6/15/2022 | 5.0% to 5.25% | 111,907 | 12,696 | 25,390 |
| Series of December 2002 | 54,350 | 6/15/2018 | 5.0% to 5.25% | -- | -- | -- |
| Series of March 2003 | 75,775 | 6/15/2015 | 5.0% to 5.25% | -- | -- | -- |
| Series of July 2003 | 150,000 | 6/15/2028 | 4.5% to 5.25% | 86,613 | 17,323 | 25,984 |
| Series of March 2004 | 200,000 | 6/15/2028 | 5.0% | 90,677 | 14,318 | 76,360 |
| Series of February 2005 | 75,000 | 6/15/2029 | 3.0% to 5.0% | 22,656 | 25,000 | 14,063 |
| Series of June 2005 | 125,000 | 6/15/2030 | 5.0% to 5.25% | 91,560 | -- | 13,440 |
| Series of March 2006 | 65,000 | 6/15/2026 | 4.0% to 5.0% | 30,600 | 3,400 | 15,300 |
| Series of June 2006 | 150,000 | 6/15/2031 | 4.25% to 5.0% | 92,400 | -- | 39,600 |
| Series of July 2007 | 50,000 | 6/15/2027 | 4.5% to 5.0% | 26,550 | -- | 9,450 |
| Total | \$ 3,444,178 | | | \$ 915,652 | \$ 107,118 | \$ 317,345 |
| Authorized but Unissued | | | | \$ 115,329 | \$ 2,699 | \$ 293,670 |
| * Accreted bonds are shown at their accreted values as of 6/30/09. Inputted interest rates on these capital appreciation bonds range from 7.0% to 7.4%. | | | | | | |

Table 10-2 (amounts expressed in thousands)
(continued)

| Environment | Refunding | Civic Centers | | | Principal Outstanding June 30, 2009 | Amount Related to Capital Assets |
|------------------|-------------------|-------------------|-------------------------------|------------------|--|-------------------------------------|
| | | Civic Centers | Libraries | Refunding | | |
| \$ -- | \$ -- | \$ 18,544 | \$ -- | \$ -- | \$ 18,544 | \$ -- |
| 319 | -- | -- | -- | -- | 58,895 | 9,556 |
| -- | -- | 40,780 | 6,285 | -- | 47,065 | -- |
| -- | 47,725 | -- | -- | -- | 47,725 | 4,743 |
| 1,189 | -- | -- | -- | -- | 65,135 | 21,053 |
| -- | 64,390 | -- | -- | -- | 64,390 | 23,826 |
| -- | 6,820 | -- | -- | -- | 6,820 | 2,079 |
| 118 | -- | -- | -- | -- | 11,990 | 210 |
| 107 | -- | -- | -- | -- | 40,000 | 584 |
| 110 | -- | -- | -- | -- | 38,240 | 1,190 |
| 704 | -- | -- | -- | -- | 31,420 | 905 |
| -- | 80,500 | -- | -- | -- | 80,500 | 27,922 |
| -- | -- | -- | -- | 13,860 | 13,860 | -- |
| 8,439 | -- | -- | -- | -- | 36,640 | 1,211 |
| -- | -- | -- | -- | 34,485 | 34,485 | -- |
| 2,640 | -- | -- | -- | -- | 66,000 | 1,393 |
| -- | 75,165 | -- | -- | -- | 75,165 | 19,295 |
| 7,200 | -- | -- | -- | -- | 90,000 | 7,098 |
| -- | 81,385 | -- | -- | -- | 81,385 | 2,214 |
| 2,666 | -- | -- | -- | -- | 80,000 | 4,795 |
| -- | 50,310 | -- | -- | -- | 50,310 | 18,616 |
| -- | 94,815 | -- | -- | -- | 94,815 | 35,084 |
| 4,232 | -- | -- | -- | -- | 154,225 | 10,012 |
| -- | 48,125 | -- | -- | -- | 48,125 | 7,157 |
| -- | 75,775 | -- | -- | -- | 75,775 | 19,833 |
| 14,435 | -- | -- | -- | -- | 144,355 | 9,061 |
| 9,545 | -- | -- | -- | -- | 190,900 | 13,230 |
| 781 | -- | -- | -- | -- | 62,500 | 10,537 |
| -- | -- | -- | -- | -- | 105,000 | 61,114 |
| 5,950 | -- | -- | -- | -- | 55,250 | 20,004 |
| -- | -- | -- | -- | -- | 132,000 | 48,804 |
| 9,000 | -- | -- | -- | -- | 45,000 | 3,748 |
| <u>\$ 67,435</u> | <u>\$ 625,010</u> | <u>\$ 59,324</u> | <u>\$ 6,285</u> | <u>\$ 48,345</u> | 2,146,514 | 385,274 |
| <u>\$ 10,064</u> | <u>Unlimited</u> | <u>\$ 144,619</u> | <u>\$ 3,715</u> | <u>Unlimited</u> | | |
| | | | Deferred amount on refundings | | (425) | (12) |
| | | | Unamortized premiums | | 58,021 | 11,263 |
| Total | | | | | <u>\$ 2,204,110</u> | <u>\$ 396,525</u> |

Changes in special obligation bonds during the year ended June 30, 2009, are summarized in Note 8. Future special obligation debt service requirements at June 30, 2009, are as follows:

| Table 10-3 (amounts expressed in thousands) | | | |
|---|-------------------------|------------|--------------|
| Year Ending June 30 | Governmental Activities | | |
| | Principal | Interest | Total |
| 2010 | \$ 165,775 | \$ 111,247 | \$ 277,022 |
| 2011 | 167,569 | 103,127 | 270,696 |
| 2012 | 168,066 | 94,875 | 262,941 |
| 2013 | 170,185 | 86,507 | 256,692 |
| 2014 | 170,460 | 77,915 | 248,375 |
| 2015-2019 | 742,470 | 257,539 | 1,000,009 |
| 2020-2024 | 377,465 | 105,830 | 483,295 |
| 2025-2029 | 192,635 | 29,306 | 221,941 |
| 2030-2031 | 17,000 | 1,150 | 18,150 |
| | 2,171,625 | \$ 867,496 | \$ 3,039,121 |
| Less: Unaccrued appreciation | (25,111) | | |
| | 2,146,514 | | |
| Deferred amount on refundings | (425) | | |
| Unamortized premiums | 58,021 | | |
| Total | \$ 2,204,110 | | |

11 REVENUE BONDS

The State Constitution empowers certain State agencies and authorities to issue bonds that are not supported by the full faith and credit of the State. The bond indentures include a pledge from these agencies and authorities that income derived from acquired or constructed assets be used to retire the debt and service related interest. Bonds outstanding at June 30, 2009 (except for the Illinois State Toll Highway Authority which is as of December 31, 2008), net of unamortized discounts, unamortized deferred amount on bond refunding, and unamortized bond premiums are as follows:

| Table 11-1 (amounts expressed in thousands) | | | |
|---|-----------------------|-------------------------------|-----------------------|
| Fund Type/Agency | Amount Outstanding | Outstanding Interest Rates | Annual Maturity To |
| Primary Government | | | |
| Business-type Activities | | | |
| Major Funds: | | | |
| Designated Account Purchase Program | \$ 1,027,300 | 1.918% to 17.000% | 2045 |
| Major Component Units | | | |
| Illinois Housing Development Authority | 1,525,473 | 2.400% to 12.000% | 2048 |
| Illinois State Toll Highway Authority | 3,397,544 | 3.764% to 6.300% | 2033 |
| Illinois State University | 107,609 | 3.500% to 5.000% | 2033 |
| Northern Illinois University | 100,632 | 4.000% to 6.550% | 2029 |
| Southern Illinois University | 306,080 | 2.500% to 6.200% | 2036 |
| University of Illinois | 1,087,597 | 2.000% to 12.000% | 2038 |

Changes in revenue bonds during the year ended June 30, 2009 are summarized in Note 8. Revenue bond debt service requirements, principal and interest as of June 30, 2009, are as follows:

Table 11-2 (amounts expressed in thousands)

Primary Government

| Year Ending June 30 | Business-type Activities Designated Account | |
|-------------------------|--|------------------|
| | Purchase Program | |
| | Principal | Interest |
| 2010 | \$ 96,100 | \$ 18,345 |
| 2011 | -- | 17,257 |
| 2012 | -- | 17,257 |
| 2013 | -- | 17,257 |
| 2014 | 50,000 | 17,257 |
| 2015-2019 | -- | 78,412 |
| 2020-2024 | -- | 78,412 |
| 2025-2029 | -- | 78,412 |
| 2030-2034 | -- | 78,412 |
| 2035-2039 | -- | 78,412 |
| 2040-2044 | 284,400 | 72,369 |
| 2045-2049 | 600,000 | 7,672 |
| | <u>1,030,500</u> | <u>\$559,474</u> |
| Unamortized (discounts) | (3,200) | |
| Total | <u><u>\$1,027,300</u></u> | |

Table 11-3 (amounts expressed in thousands)

Major Component Units

| Year Ending June 30 | Illinois Housing Development Authority | | Illinois Toll Highway Authority | | Illinois State University | |
|-------------------------------|---|--------------------|--|--------------------|--------------------------------------|------------------|
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 2010 | \$ 105,045 | \$ 67,197 | \$ 97,150 | \$ 146,672 | \$ 5,380 | \$ 3,894 |
| 2011 | 45,685 | 64,840 | 1,065 | 151,582 | 6,280 | 3,839 |
| 2012 | 48,545 | 63,044 | 49,910 | 148,902 | 6,190 | 3,758 |
| 2013 | 49,550 | 61,078 | 53,040 | 145,752 | 6,330 | 3,618 |
| 2014 | 50,805 | 59,739 | 56,365 | 142,383 | 6,625 | 3,347 |
| 2015-2019 | 250,415 | 260,194 | 512,670 | 641,860 | 24,640 | 14,759 |
| 2020-2024 | 227,870 | 206,348 | 670,430 | 501,692 | 20,160 | 11,203 |
| 2025-2029 | 279,175 | 146,434 | 1,047,560 | 316,735 | 22,590 | 6,618 |
| 2030-2034 | 266,030 | 84,139 | 904,700 | 110,133 | 14,645 | 1,456 |
| 2035-2039 | 165,310 | 29,041 | -- | -- | -- | -- |
| 2040-2044 | 32,155 | 6,993 | -- | -- | -- | -- |
| 2045-2049 | 11,780 | 1,050 | -- | -- | -- | -- |
| | <u>1,532,365</u> | <u>\$1,050,097</u> | <u>3,392,890</u> | <u>\$2,305,711</u> | <u>112,840</u> | <u>\$ 52,492</u> |
| Less: Unaccrued appreciation | (10) | | -- | | (4,640) | |
| | <u>1,532,355</u> | | <u>3,392,890</u> | | <u>108,200</u> | |
| Deferred amount on refundings | (8,325) | | (53,463) | | -- | |
| Unamortized premiums | 1,582 | | 67,196 | | 284 | |
| Unamortized (discounts) | (139) | | (9,079) | | (875) | |
| Total | <u><u>\$1,525,473</u></u> | | <u><u>\$3,397,544</u></u> | | <u><u>\$ 107,609</u></u> | |

Table 11-3 (continued)
(amounts expressed in thousands)

Major Component Units, continued

| Year Ending June 30 | Northern Illinois University | | Southern Illinois University | | University of Illinois | |
|-------------------------------|---------------------------------|-----------|---------------------------------|------------|------------------------|------------|
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 2010 | \$ 6,175 | \$ 3,977 | \$ 13,190 | \$ 10,693 | \$ 33,605 | \$ 44,868 |
| 2011 | 6,300 | 3,857 | 16,120 | 10,661 | 35,495 | 43,836 |
| 2012 | 5,760 | 3,738 | 16,520 | 10,301 | 38,350 | 42,847 |
| 2013 | 5,860 | 3,638 | 17,105 | 9,905 | 40,795 | 41,682 |
| 2014 | 5,969 | 3,532 | 17,065 | 9,478 | 42,665 | 40,462 |
| 2015-2019 | 32,245 | 15,249 | 87,910 | 40,470 | 239,970 | 183,149 |
| 2020-2024 | 26,710 | 7,416 | 81,395 | 27,021 | 248,245 | 142,986 |
| 2025-2029 | 16,965 | 3,208 | 75,260 | 14,580 | 220,790 | 95,208 |
| 2030-2034 | -- | -- | 22,225 | 4,787 | 198,815 | 44,000 |
| 2035-2039 | -- | -- | 6,755 | 462 | 63,190 | 4,350 |
| | 105,984 | \$ 44,615 | 353,545 | \$ 138,358 | 1,161,920 | \$ 683,388 |
| Less: Unaccrued appreciation | (5,352) | | (51,889) | | (88,954) | |
| | 100,632 | | 301,656 | | 1,072,966 | |
| Deferred amount on refundings | -- | | (1,785) | | (19,705) | |
| Unamortized premiums | -- | | 6,209 | | 34,336 | |
| Total | \$ 100,632 | | \$ 306,080 | | \$ 1,087,597 | |

All but \$310 thousand of the \$1.525 billion of outstanding Illinois Housing Development Authority (“IHDA”) revenue bonds do not require the Governor to include in the State budget the amount necessary for payment of principal and interest. Payment of principal and interest on IHDA bonds are debt of various entities and are guaranteed from pledged revenues of the properties and assets within its issuance resolutions. Furthermore, a portion of the IHDA bonds are additionally secured by a form of credit enhancement such as a municipal bond insurance policy or a direct pay letter of credit on its payment of principal and interest.

A. Demand and Variable Rate Bonds

Primary Government

Designated Account Purchase Program (“IDAPP”)

Included within IDAPP’s \$1.027 billion of outstanding revenue bonds at June 30, 2009 are \$980.5 million in variable rate bonds that have their interest rates reset periodically. These bonds carry a maximum interest rate ranging from 10% to 17%. The average interest rate in effect for 2009 was used in calculating future interest payments for the Union Bank of Switzerland (UBS) debt (\$884.4 million). Actual interest rates were used for the portion of the debt related to the Credit Union Indenture (\$96.1 million).

Major Component Units

Illinois Housing Development Authority (“IHDA”)

Included within the IHDA’s outstanding revenue bonds are \$46.7 million of Homeowner Mortgage Revenue Bonds Series 2004A3, 2004C3, and 2005A3 and \$63.6 million of Housing Bonds Series 2004B, 2008A, 2008B, and 2008C which are variable rate demand bonds. Interest rates on these bonds are determined weekly at a rate established by the remarketing agent on each rate determination date. In addition, \$17.2 million of Homeowner Mortgage Revenue Bonds

Series 2001D, 2001F, and 2002B are also variable rate, but not demand bonds. Interest rates on these bonds are based on a floating rate determined on a monthly basis and paid either monthly or semi-annually. On the variable rate demand bonds, IHDA has agreements with liquidity providers to purchase any bonds tendered for purchase in accordance with the indentures. For additional security, IHDA has entered into risk management agreements to hedge against interest rate risks on 2 series of bonds and wrapped credit enhancements on 4 series of bonds (see Note 14—Derivatives). The IHDA has a commitment to reimburse the provider of the credit enhancer for any advancement of principal and interest payments made.

Illinois State Toll Highway Authority (“THA”)

As of December 31, 2008, the THA had outstanding variable rate demand bonds in the amount of \$80.5 million for the Series 1993B bonds, \$123.1 million for the Series 1998B bonds, \$700.0 million for the 2007 A-1 and A-2 bonds, and \$766.2 million for the Series 2008 A-1 and A-2 bonds. These bonds have final maturities in 2010, 2017, 2030, and 2031, respectively, and bear interest rates as determined by the remarketing agents on each rate determination date not to exceed 22%, 25%, 15%, and 12%, respectively. These bonds are subject to redemption if tendered by the holder at a price equal to the principal plus accrued interest upon notice and delivery to the remarketing agent. The THA has agreements with liquidity providers to purchase any bonds so tendered for purchase in accordance with the indentures with respect to which the Trustee does not, on the date any such tendered bonds are required to be purchased, have sufficient funds to make such purchase. The THA has obtained a financial guarantee insurance policy to guarantee the payment of principal and interest on the scheduled maturity dates. The THA has an obligation to reimburse the insurer for any such payments made.

University of Illinois (“U of I”)

The U of I had outstanding variable rate demand bonds in the amount of \$19.4 million for the Series 1997B bonds and \$115.9 million for the three Series 2008 bonds. These bonds have final maturities in 2026, 2038, 2026, and 2022, respectively, and bear interest rates as determined by the remarketing agents on each rate determination date not to exceed 12% on all of the bond series. These bonds are subject to redemption if tendered by the holder at a price equal to the principal plus accrued interest upon notice and delivery to the remarketing agent. The U of I has agreements with liquidity or credit providers to purchase any bonds so tendered for purchase in accordance with the indentures with respect to which the Trustee does not, on the date any such tendered bonds are required to be purchased, have sufficient funds to make such purchase. The U of I has obtained a letter of credit or relies on its own credit to guarantee the payment of principal and interest on the scheduled maturity dates. The U of I has an obligation to reimburse the letter of credit issuer for any such payments made.

Derivatives

IHDA, THA, and U of I all have entered into various interest rate swap agreements. Details of these agreements are discussed in Note 14—Derivatives.

B. Conduit Debt (not included in financial statements)

The State of Illinois, by action of the General Assembly, created various authorities for the express purpose of providing private entities with an available low cost source of capital financing for construction of facilities deemed to be in the public interest. Fees are assessed to recover related processing and application costs incurred. Bonds issued by the authorities represent limited obligations payable solely from payments made by the borrowing entities. The majority of the bonds are secured by the property financed. Upon repayment of a bond, ownership of acquired property transfers to the entity served by the bond issuance. The State has no obligation for this debt. Accordingly, these bonds are not reflected in the accompanying financial statements.

At June 30, 2009, recorded amounts of revenue bonds, net of defeased bonds, and notes outstanding as reported by authority officials are as follows:

| Table 11-4 (amounts expressed in thousands) | | |
|--|---------------------------|---------------------------|
| Authority | Amount Outstanding | Annual Maturity To |
| Illinois Finance Authority | \$ 23,823,741 | 2048 |
| Illinois Housing Development Authority | 370,021 | 2048 |
| Southwestern Illinois Development Authority | 536,030 | 2037 |
| Upper Illinois River Valley Development Authority | 135,369 | 2042 |
| Will-Kankakee Regional Development Authority | 38,210 | 2042 |
| Illinois Medical District Commission | 27,315 | 2032 |
| Quad Cities Regional Economic Development Authority | 47,365 | 2041 |
| Southeastern Illinois Economic Development Authority | 9,762 | 2031 |
| Western Illinois Economic Development Authority | 20,385 | 2037 |
| Total | \$ 25,008,198 | |

12 NOTES/GENERAL OBLIGATION CERTIFICATES PAYABLE**A. Notes Payable**

The State's major component units have obtained notes payable, normally secured by specific revenue sources, to provide financing. Outstanding notes payable at June 30, 2009 were as follows:

| Table 12-1 (amounts expressed in thousands) | | | |
|---|---------------------------|-----------------------|---------------------------|
| Fund Type/Agency | Amount Outstanding | Interest Rates | Annual Maturity To |
| Major Component Units | | | |
| Illinois Housing Development Authority | \$ 6,233 | 4.18% to 5.45% | 2012 |
| Northern Illinois University | 589 | 2.50% | 2012 |
| Southern Illinois University | 1,100 | 3.95% | 2013 |

Changes in notes payable during the year ended June 30, 2009 are summarized in Note 8. Future notes payable debt service requirements as of June 30, 2009, are as follows:

Table 12-2 (amounts expressed in thousands)

Major Component Units

| Year Ending June 30 | Illinois Housing Development Authority | | Northern Illinois University | | Southern Illinois University | |
|------------------------|---|---------------|---------------------------------|--------------|---------------------------------|---------------|
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 2010 | \$ -- | \$ 306 | \$ 119 | \$ 16 | \$ -- | \$ 43 |
| 2011 | -- | 306 | 65 | 12 | -- | 43 |
| 2012 | 6,233 | 268 | 405 | 10 | -- | 43 |
| 2013 | -- | -- | -- | -- | 1,100 | 43 |
| | <u>\$ 6,233</u> | <u>\$ 880</u> | <u>\$ 589</u> | <u>\$ 38</u> | <u>\$ 1,100</u> | <u>\$ 172</u> |

B. General Obligation Certificates Payable

The State is authorized to borrow up to 5% of the State's appropriations in a fiscal year to meet deficits in anticipated revenues. All such debt shall be retired from the revenues received in that fiscal year.

On December 22, 2008, the State issued \$1.400 billion of general obligation certificates, which matured on various dates throughout the fiscal year, with an interest rate of 4.5%. The certificates were issued to meet significant timing variations between disbursement and receipt of budgeted funds during the fiscal year. Proceeds from the certificates were deposited as follows: \$1.400 billion into the General Revenue Account, a sub-account of the General Fund, and \$2.850 million of bond issuance premium (net of issuance costs) into the General Obligation Bond Retirement and Interest Fund, a nonmajor governmental fund.

The State is also authorized to borrow up to 15% of the State's appropriations in a fiscal year to meet deficits caused by emergencies or failures of revenue. All monies borrowed must be repaid within one year of the date of issuance.

On May 21, 2009, the State issued \$1 billion of general obligation certificates, of which \$500 million is scheduled to mature on April 26, 2010, with an interest rate of 4.0% and \$500 million is scheduled to mature on May 20, 2010, with an interest rate of 4.0%. The certificates were issued to supplement revenues during fiscal year 2009. The proceeds were deposited into the General Revenue Account, a sub-account of the General Fund, to relieve general cash flow pressures. Proceeds from the certificates were deposited as follows: \$1 billion into the General Revenue Account, a sub-account of the General Fund, and \$20.195 million of bond issuance premium (net of issuance costs) into the General Obligation Bond Retirement and Interest Fund, a nonmajor governmental fund.

Changes in general obligation certificates payable during the year ended June 30, 2009 are as follows:

Table 12-3 (amounts expressed in thousands)

| | Balance July 1, 2008 | Additions | Deletions | Balance June 30, 2009 |
|---|----------------------------|---------------------|-----------------------|-----------------------------|
| Primary Government | | | | |
| Governmental Activities | | | | |
| General obligation certificates payable | \$ -- | \$ 2,400,000 | \$ (1,400,000) | \$ 1,000,000 |
| Unamortized premiums | -- | 25,826 | (3,936) | 21,890 |
| Total Governmental Activities | <u>\$ --</u> | <u>\$ 2,425,826</u> | <u>\$ (1,403,936)</u> | <u>\$ 1,021,890</u> |

C. Short-Term Borrowings

Primary Government – Business-type Activities

The Designated Account Purchase Program (“IDAPP”) has a \$500 million short-term revolving credit line agreement. The revolving credit line was used to purchase eligible student loans (guaranteed or insured or an eligible loan under the Higher Education Act). The credit line expired on September 8, 2008 resulting, by terms of the Indenture, in the commencement of the Liquidation Period. The Liquidation Period continues, by its term, until July 27, 2010, at which point any amounts not paid are due and payable.

The terms of the credit line are during the Liquidation Period, costs of borrowing will not exceed the lender’s commercial paper rate. In addition, the financing institution receives 43 basis points on the outstanding debt for providing the bank credit facility and for serving as the administrative agent. As of June 30, 2009, \$395.957 million outstanding under this line is shown as current for fiscal year 2009.

Also, on December 22, 2008, IDAPP executed a \$7 million credit line and security agreement. This revolving credit line was used for the purchase or origination of student loans under the Capstone program established in 2007. This credit line currently has an interest rate of 5.0% and matures on December 22, 2010. As of June 30, 2009, \$2.990 million outstanding under this line is shown as current for fiscal year 2009.

Major Component Units

Northern Illinois University (“NIU”)

On September 30, 2008, the NIU Research Foundation established a credit agreement not to exceed \$15 million. The purpose of the credit agreement is to provide the NIU Research Foundation with short-term financing as preparations are made to issue long-term debt for a major project. As of June 30, 2009, interest is payable monthly at a variable rate of the London Interbank Offered Rate (LIBOR) plus 2%. In addition, as of June 30, 2009, \$7.250 million outstanding under this agreement is shown as current for fiscal year 2009.

The NIU Research Foundation has two outstanding irrevocable letters of credit, in the amounts of \$75 thousand in favor of the DuPage Airport Authority (DAA) and \$804 thousand in favor of the City of West Chicago, to guarantee the installation and design of public improvements. The letters of credit expire on September 10, 2009 and August 8, 2010, respectively. The DAA and City of West Chicago have not drawn against the letters of credit; therefore, no liability has been recorded at June 30, 2009.

Southern Illinois University ("SIU")

On March 1, 2008, the SIU at Edwardsville Foundation entered into a note payable that was due July 2, 2008. The purpose of the note was for refinancing the construction of an office building. The note was refinanced on July 2, 2008 to a five year note.

University of Illinois ("U of I")

The U of I has a \$15 million line of credit to a bank, due on demand, with a negotiated interest rate in irregular intervals (1.25% at June 30, 2009). The line of credit is unsecured. The line of credit is to be used to purchase property that is to be held by the U of I. As of June 30, 2009, \$7.3 million outstanding under this line is shown as current for fiscal year 2009.

Changes in short-term borrowing during the year ended June 30, 2009 are as follows:

| Table 12-4 (amounts expressed in thousands) | | | | |
|---|----------------------------|-----------|-------------|-----------------------------|
| | Balance July 1, 2008 | Additions | Deletions | Balance June 30, 2009 |
| Primary Government | | | | |
| Business-type Activities | | | | |
| Major Funds: | | | | |
| Designated Account Purchase Program | \$ 390,770 | \$ 51,737 | \$ (43,560) | \$ 398,947 |
| Major Component Units | | | | |
| Northern Illinois University | \$ -- | \$ 7,250 | \$ -- | \$ 7,250 |
| Southern Illinois University | \$ 1,100 | \$ -- | \$ (1,100) | \$ -- |
| University of Illinois | \$ 7,214 | \$ 263 | \$ (185) | \$ 7,292 |

13 OTHER LONG-TERM OBLIGATIONS

Other long-term obligations reported in the government-wide statements and disclosed below are as follows:

| Table 13-1 (amounts expressed in thousands) | | | | | | |
|---|-----------|----------------------------|----------------------------|----------------------------|---------------------------------|--------------------|
| Primary Government | | | | | | |
| Description | Reference | Governmental Activities | Business-type Activities | | | Fiduciary Funds |
| | | | Water Revolving Fund | Prepaid Tuition Fund | Nonmajor Enterprise Funds | |
| Capital lease obligations | (A) | \$ 8,736 | \$ 3 | \$ -- | \$ -- | \$ 15 |
| Certificates of participation | (B) | 82,895 | -- | -- | -- | -- |
| Installment purchase obligations | (C) | 19,067 | -- | -- | -- | -- |
| Cape Girardeau Bridge - State of Illinois/ State of Missouri Joint Agreement | (D) | -- | -- | -- | -- | -- |
| Pollution remediation obligation | (E) | 30,015 | -- | -- | -- | -- |
| Obligations to Lottery Prize Winners | (F) | -- | -- | -- | 966 | -- |
| Prepaid Tuition Fund obligations | (G) | -- | -- | 1,221,854 | -- | -- |
| Other obligations | (H) | 6,378 | -- | -- | 9,057 | -- |
| Total Other Long-Term Obligations | | \$ 147,091 | \$ 3 | \$ 1,221,854 | \$ 10,023 | \$ 15 |

Table 13-2 (amounts expressed in thousands)

| Major Component Units | | | | | | | |
|--|-----------|------------------------------|---|---------------------------------|------------------------------------|------------------------------------|------------------------------|
| Description | Reference | Toll Highway Authority | Illinois Housing Development Authority | Illinois State University | Northern Illinois University | Southern Illinois University | University of Illinois |
| Capital lease obligations | (A) | \$ -- | \$ -- | \$ -- | \$ 20,261 | \$ 418 | \$ 16,502 |
| Installment purchase obligations | (C) | -- | -- | 3,248 | -- | -- | -- |
| Certificates of participation | (B) | -- | -- | 22,142 | 4,555 | 25,624 | 571,965 |
| Other obligations | (H) | 7 | 14,885 | 354 | 22,603 | 4,513 | 49,870 |
| Total Other Long-Term Obligations | | \$ 7 | \$ 14,885 | \$ 25,744 | \$ 47,419 | \$ 30,555 | \$638,337 |

A. Lease Commitments

The State has entered into various capital leases for land, office facilities, office and computer equipment, and other assets. Although lease terms vary, certain leases are renewable subject to appropriation by the General Assembly. If renewal is reasonably assured, leases requiring appropriation by the General Assembly are considered noncancelable leases for financial reporting purposes. Information regarding operating leases is included in Note 20.

At June 30, 2009, assets capitalized under capitalized leases are as follows:

Table 13-3 (amounts expressed in thousands)

| Primary Government | | | |
|-------------------------------------|----------------------------|---------------------------------|--------------------|
| | Governmental Activities | Business- type Activities | Fiduciary Funds |
| Buildings and building improvements | \$ 14,386 | \$ -- | \$ -- |
| Equipment | 1,296 | 6 | 38 |
| | 15,682 | 6 | 38 |
| Less: Accumulated depreciation | 7,622 | 3 | 11 |
| | <u>\$ 8,060</u> | <u>\$ 3</u> | <u>\$ 27</u> |

Table 13-4 (amounts expressed in thousands)

| Major Component Units | | | |
|-------------------------------------|------------------------------------|------------------------------------|------------------------------|
| | Northern Illinois University | Southern Illinois University | University of Illinois |
| Land | \$ -- | \$ -- | \$ -- |
| Buildings and building improvements | 20,368 | -- | -- |
| Equipment | 816 | 977 | 29,808 |
| | 21,184 | 977 | 29,808 |
| Less: Accumulated depreciation | 1,289 | 434 | 16,005 |
| | <u>\$ 19,895</u> | <u>\$ 543</u> | <u>\$ 13,803</u> |

Future minimum commitments for non-cancelable capital leases as of June 30, 2009 are as follows:

Table 13-5 (amounts expressed in thousands)

Primary Government

| Year Ending June 30 | Capitalized Leases | | | | | |
|------------------------------|-------------------------|-----------------|--------------------------|--------------|-----------------|-------------|
| | Governmental Activities | | Business-type Activities | | Fiduciary Funds | |
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 2010 | \$ 907 | \$ 769 | \$ 1 | \$ -- | \$ 13 | \$ 1 |
| 2011 | 863 | 687 | 2 | -- | 2 | -- |
| 2012 | 898 | 605 | -- | -- | -- | -- |
| 2013 | 989 | 524 | -- | -- | -- | -- |
| 2014 | 984 | 430 | -- | -- | -- | -- |
| 2015-2019 | 4,095 | 729 | -- | -- | -- | -- |
| Total minimum lease payments | <u>\$ 8,736</u> | <u>\$ 3,744</u> | <u>\$ 3</u> | <u>\$ --</u> | <u>\$ 15</u> | <u>\$ 1</u> |

Table 13-6 (amounts expressed in thousands)

Major Component Units

| Year Ending June 30 | Northern Illinois University | | Southern Illinois University | | University of Illinois | |
|------------------------------|------------------------------|------------------|------------------------------|--------------|------------------------|-----------------|
| | Principal | Interest | Principal | Interest | Principal | Interest |
| | | | | | | |
| 2010 | \$ 388 | \$ 1,143 | \$ 231 | \$ 14 | \$ 5,283 | \$ 683 |
| 2011 | 408 | 1,123 | 157 | 6 | 4,937 | 420 |
| 2012 | 432 | 1,100 | 10 | 1 | 2,164 | 245 |
| 2013 | 455 | 1,076 | 6 | 1 | 1,788 | 163 |
| 2014 | 480 | 1,052 | 7 | -- | 1,755 | 93 |
| 2015-2019 | 2,307 | 4,879 | 7 | -- | 575 | 32 |
| 2020-2024 | 2,907 | 4,154 | -- | -- | | |
| 2025-2029 | 3,470 | 3,245 | -- | -- | | |
| 2030-2034 | 4,626 | 2,090 | -- | -- | -- | -- |
| 2035-2039 | 4,788 | 585 | -- | -- | -- | -- |
| Total minimum lease payments | <u>\$ 20,261</u> | <u>\$ 20,447</u> | <u>\$ 418</u> | <u>\$ 22</u> | <u>\$ 16,502</u> | <u>\$ 1,636</u> |

B. Certificates of Participation

State-issued Certificates of Participation - The State is authorized to issue certificates of participation ("Certificates") representing the right to receive a proportionate share in lease-purchase or installment purchase payments to be made for the benefit of State agencies for the acquisition or improvement of real or personal property, refinancing of such property, payment of expenses of such property or payment of expenses related to the issuance. The outstanding balance of the State-issued Certificates included in the governmental activities financial statements as of June 30, 2009 was \$22.3 million.

Certain major component units have also issued Certificates representing the right to receive a proportionate share of lease-purchase or installment payments. All of these Certificates issued by major component units are considered State-issued. The outstanding balance of these Certificates as of June 30, 2009 was \$624.3 million, which includes unamortized premiums of \$14.7 million, unamortized discounts of \$0.2 million and deferred amounts on refunding of \$13.3 million and is included in the component unit financial statements.

Non-State-issued Certificates of Participation - The State also finances the purchase of certain State-owned real and personal property through third party (non-State-issued) Certificates. These

non-State-issued Certificates are sold by private concerns and are repaid by State agency appropriations pursuant to installment purchase agreements. The outstanding balance of non-State-issued Certificates included in the governmental activities financial statements as of June 30, 2009 was \$60.6 million.

Future commitments by the State to make installment payments to pay for the assets acquired and related financing costs for State-issued and non-State-issued Certificates at June 30, 2009 are as follows:

| Table 13-7 (amounts expressed in thousands) | | | | | | |
|---|--------------------------------------|-----------------|-------------------------|------------------|------------------|-----------------|
| Primary Government Governmental Activities | | | | | | |
| Year Ending June 30 | Certificates of Participation | | | | | |
| | State-Issued | | Non-State-Issued | | Total | |
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 2010 | \$ 1,945 | \$ 1,278 | \$ 4,270 | \$ 3,175 | \$ 6,215 | \$ 4,453 |
| 2011 | 2,055 | 1,162 | 6,085 | 3,069 | 8,140 | 4,231 |
| 2012 | 2,170 | 1,038 | 6,425 | 2,724 | 8,595 | 3,762 |
| 2013 | 2,305 | 906 | 6,775 | 2,357 | 9,080 | 3,263 |
| 2014 | 2,440 | 764 | 7,160 | 1,966 | 9,600 | 2,730 |
| 2015-2019 | 11,395 | 1,438 | 27,125 | 4,504 | 38,520 | 5,942 |
| 2020-2024 | -- | -- | 2,745 | 80 | 2,745 | 80 |
| | <u>\$22,310</u> | <u>\$ 6,586</u> | <u>\$60,585</u> | <u>\$ 17,875</u> | <u>\$82,895</u> | <u>\$24,461</u> |

| Table 13-8 (amounts expressed in thousands) | | | | | | | | |
|---|--------------------------------------|------------------|---|-----------------|---|-----------------|-----------------------------------|-------------------|
| Major Component Units | | | | | | | | |
| Year Ending June 30 | Certificates of Participation | | | | | | | |
| | Illinois State University | | Northern Illinois University | | Southern Illinois University | | University of Illinois | |
| | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest |
| 2010 | \$ 825 | \$ 892 | \$ 390 | \$ 235 | \$ 2,770 | \$ 1,121 | \$233,160 | \$ 22,579 |
| 2011 | 855 | 867 | 410 | 214 | 2,875 | 1,015 | 10,330 | 16,488 |
| 2012 | 875 | 839 | 435 | 191 | 2,105 | 899 | 12,515 | 15,961 |
| 2013 | 910 | 811 | 465 | 167 | 2,190 | 813 | 18,575 | 15,231 |
| 2014 | 935 | 779 | 485 | 141 | 1,760 | 734 | 26,540 | 14,139 |
| 2015-2019 | 5,250 | 3,335 | 2,370 | 235 | 5,780 | 2,809 | 113,765 | 52,465 |
| 2020-2024 | 6,410 | 2,189 | -- | -- | 8,210 | 1,372 | 88,680 | 28,525 |
| 2025-2029 | 6,170 | 701 | -- | -- | -- | -- | 66,955 | 6,456 |
| | <u>22,230</u> | <u>\$ 10,413</u> | <u>4,555</u> | <u>\$ 1,183</u> | <u>25,690</u> | <u>\$ 8,763</u> | <u>570,520</u> | <u>\$ 171,844</u> |
| Deferred amount on refundings | -- | -- | -- | -- | -- | -- | (13,269) | -- |
| Unamortized premiums | -- | -- | -- | -- | -- | -- | 14,714 | -- |
| Unamortized (discounts) | (88) | -- | -- | -- | (66) | -- | -- | -- |
| | <u>\$22,142</u> | <u>\$ 4,555</u> | <u>\$ 4,555</u> | <u>\$ 1,183</u> | <u>\$25,624</u> | <u>\$ 8,763</u> | <u>\$571,965</u> | <u>\$ 171,844</u> |

C. Installment Purchase Obligations

The State has acquired certain land, office facilities, office and computer equipment, and other assets through installment purchase arrangements. Future commitments under installment purchase contracts as of June 30, 2009 are as follows:

| Table 13-9 (amounts expressed in thousands) | | | |
|---|--------------------------------|-----------------|------------------|
| Primary Government | | | |
| Year Ending June 30 | Governmental Activities | | |
| | Principal | Interest | Total |
| 2010 | \$ 7,483 | \$ 564 | \$ 8,047 |
| 2011 | 5,238 | 335 | 5,573 |
| 2012 | 4,764 | 139 | 4,903 |
| 2013 | 1,582 | 26 | 1,608 |
| 2014 | - | - | - |
| | <u>\$19,067</u> | <u>\$ 1,064</u> | <u>\$ 20,131</u> |

| Table 13-10 (amounts expressed in thousands) | | | |
|--|----------------------------------|-----------------|----------------|
| Major Component Unit | | | |
| Year Ending June 30 | Illinois State University | | |
| | Principal | Interest | Total |
| 2010 | \$ 61 | \$ 209 | \$ 270 |
| 2011 | 65 | 205 | 270 |
| 2012 | 69 | 201 | 270 |
| 2013 | 74 | 196 | 270 |
| 2014 | 78 | 192 | 270 |
| 2015-2019 | 2,901 | 723 | 3,624 |
| | <u>\$3,248</u> | <u>\$1,726</u> | <u>\$4,974</u> |

D. Cape Girardeau Bridge - State of Illinois/State of Missouri Joint Agreement

The State of Illinois entered into an agreement with the State of Missouri for the construction of the Cape Girardeau Bridge. The agreement required that the State of Illinois reimburse the State of Missouri for 40% of the costs incurred for bridge construction. In accordance with a pre-established payment plan, the State of Illinois repaid one-quarter of its annual obligation each year for four years following the year costs were incurred. Each year, the State of Missouri incurred costs and each year, the State of Illinois made payments on costs incurred in prior years (unless such costs have been totally reimbursed) subject to the same one-quarter reimbursement arrangement. The State of Missouri assessed 5.3% interest on the unpaid balance. On September 29, 2008, the State of Illinois chose to pay the remaining debt and accrued interest on the agreement.

E. Pollution Remediation Obligation

Tracts of land near Ottawa, Illinois were donated to the State more than 50 years ago for public purposes. Several years later, the State discovered that other parties had dumped radioactive waste on the land, before it was donated to the State. The State advised the United States Environmental Protection Agency ("USEPA") of the situation and the land was transferred to the Illinois Emergency Management Agency for clean-up.

Although the State was not culpable for the creation of the hazard, federal law makes it, as the owner, a potentially responsible party along with the corporations that did the dumping. These corporations are defunct and in recognition of the State's lack of culpability, the USEPA has currently estimated the clean-up to the site and adjacent property to cost approximately \$60 million. The State has estimated its portion of the liability for the clean-up to be \$30.015 million.

F. *Obligations to Lottery Prize Winners*

The State has obligations to certain lottery prize winners for awards payable in annual installments ranging from nineteen years to the life of the prize winner, with the first payment being made after the claim is presented for payment.

For certain prize winners, annuities were purchased in the name of the State for which the State has retained the rights of ownership. Effective July 30, 1985, State law provides that the State Treasurer, with the consent of the Director of the Department of Revenue, may contract to invest in securities, which provide payments corresponding to its obligation to these winners. The present value of these annuities and the related liabilities owed to prize winners, approximating \$966 thousand, have been reported in the financial statements of the State Lottery Fund, a nonmajor enterprise fund.

In addition to the prize obligations discussed above, the State has provided for other payments corresponding to its obligation to prize winners through the purchase of direct obligations of the federal government, primarily in the form of United States Treasury zero coupon bonds. As established by State law, such securities shall be maintained in the Deferred Lottery Prize Winners Trust Fund, a special trust fund separate and apart from all public money or funds of the State. These investments are purchased in amounts to provide for annual annuity payments to the prize winner(s) of each qualifying individual drawing. Since these monies are invested by the State on behalf of external legally separate entities (the prize winners), with specific investments being acquired for these individual entities for which the income from and changes in the value of the investments affect only the prize winners for whom they were acquired, in accordance with the provisions of GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, the Deferred Lottery Prize Winners Trust Fund is reported as an investment trust fund. The investments of the fund are reported at fair value, which approximated \$485.4 million at year-end, and the net assets are reported as reserved for external investment pool participants.

G. *Prepaid Tuition Fund Obligations*

Tuition payable in the Illinois Prepaid Tuition Fund, a major enterprise fund, as of June 30, 2009, represents net principal payments received for contracts held by the fund in the amount of \$884.485 million, of which \$55.050 million is considered current. In addition, an accretion payable recorded in the same fund in the amount of \$337.369 million of which \$4.950 million is considered current, is the present value of payments to be made in excess of the principal payments received from investments of the tuition contracts. The accretion expense is estimated as a percentage of net tuition costs paid to date.

The rate for fiscal year 2009 is 8.25% based on the actuarial reporting. The accretion expense is calculated on a monthly basis on the balance in the tuition payable account.

H. *Other Obligations***Primary Government - Governmental Activities**

The Tax Reform Act of 1986 requires issuers of state and local government bonds to rebate to the federal government arbitrage profits earned on those bonds under certain circumstances. In accordance with that, it was determined that there was an arbitrage rebate liability of \$91

thousand as of June 30, 2009. The Build Illinois Bond Retirement and Interest Fund, a nonmajor governmental fund, is expected to be used to repay the liability from future resources of this fund.

A lawsuit against the City of Chicago and the Illinois State Board of Education (“ISBE”) has resulted in a settlement requiring the ISBE to pay \$19.250 million over seven years to Chicago Public School District #299 (“District”) to assist the District in providing special education services to identified eligible children within the least restrictive environment. The settlement, reached in July 1999, required the ISBE to pay \$2.750 million per year through January 2006. Due to the District’s failure to disburse an adequate amount of ISBE’s portion of the settlement for the intended purpose, ISBE has only paid \$12.963 million of the settlement amount through June 30, 2009. In fiscal year 2005, a federal judge extended the ruling through the end of the 2009-2010 school year. This ruling allowed ISBE to restructure the remaining payments due the District through fiscal year 2010. The ISBE Federal Department of Education Fund, a nonmajor governmental fund, is expected to be used to repay the liability of \$6.287 million from future resources of this fund.

Primary Government - Business-type Activities

Other nonmajor enterprise funds presented other obligations in the amount of \$9.1 million. These obligations, consisting mostly of future workers’ compensation benefit payments for self insured companies, are expected to be paid with current resources of the reporting fund.

Major Component Units

Major component units presented other miscellaneous obligations in the amount of \$92.2 million. These obligations will be liquidated from resources of the reporting major component unit.

14 DERIVATIVES

The State and its component units have entered into various debt-related derivatives as of June 30, 2009. The objectives of the derivatives are as follows:

Primary Government - Governmental Activities

On October 30, 2003, the State of Illinois issued a total of \$963 million of tax exempt general obligation new and refunding bonds in two series: \$363 million fixed rate bonds maturing through 2020 (2003A bonds) and \$600 million variable rate demand bonds maturing in years 2020 through 2033 (2003B bonds). To assure the continuing ability to place the variable rate demand bonds with investors, the State secured a liquidity facility from Depfa Bank, PLC for the principal amount and 35 days interest on the 2003B bonds.

Pursuant to Public Act 93-9, the State simultaneously entered into Interest Rate Exchange Agreements (“Agreements”) with five counterparties under substantially identical terms, to create a net fixed rate debt service obligation on the 2003B bonds. The Agreements together with the issuance of the 2003B bonds as variable rate debt were entered into to produce a lower total cost of debt service than if the financing plan had been sold as all fixed rate debt.

The Agreements were entered into pursuant to the Interest Rate Risk Management Policy (“Policy”), as required by the General Obligation Bond Act, 30 ILCS 330/9, *et seq.* Pursuant to the Policy, the Agreements and the 2003B bonds in combination are not counted against the variable rate debt limit of the State, since amounts paid on the 2003B bonds and receipts under

the Agreements are substantially similar and canceling, resulting in a net synthetic fixed rate obligation.

Subject to continuing basis performance monitoring between the Agreements and the 2003B bonds (certain basis risks described herein), the savings to the State afforded by the net synthetic fixed rate bond structure versus a traditional fixed rate bond structure was approximately 0.71% per year, or a net present value of approximately \$50 million as of June 30, 2009.

The Agreements provide for the State to pay a monthly fixed rate of interest (3.890%) and receive a monthly floating rate of interest based on 67% of the one month London Interbank Offered Rate (“LIBOR”) or the Securities Industry and Financial Market Association (“SIFMA”) index, depending on whether one month LIBOR is above or below 2.5%. The payments are computed on a combined Agreement amount which is equal to the 2003B bonds’ principal outstanding and reduces as the 2003B bonds’ principal is repaid.

Lehman Brothers Commercial Bank (LBCB) was the counterparty on \$384 million of the 2003B bonds swap agreements. In September 2008, Lehman Brothers Holdings, Inc. (LBHI), the parent of LBCB filed for protection under Chapter 11 of the bankruptcy code. This caused an event of default under the Series 2003B interest rate swap agreement by and between LBCB and the State. The State entered into a novation agreement which terminated the swap between LBCB and entered into a new interest rate swap agreement with a different counterparty with the same terms and conditions that were present in the original agreement. On November 24, 2008, Deutsche Bank AG replaced LBCB as the counterparty on the \$384 million piece of the interest rate swap agreement. The value of the swap on that date, which was the price that Deutsche Bank AG paid to LBCB, was \$39.977 million. \$(39.977) million is recorded as a prepaid expense and a liability on the Statement of Net Assets representing the mark-to-market value of the swap at the date the transaction was negotiated between LBCB and Deutsche Bank AG.

Major Component Units

Illinois Housing Development Authority (“IHDA”)

To protect against the potential of rising interest rates, IHDA has entered into two pay-fixed, receive variable, interest rate swap agreements, the objectives of which are to achieve a synthetic fixed interest rate on the underlying bonds at a cost anticipated to be less than the amounts paid had IHDA issued fixed-rate debt. In addition, IHDA has entered into four interest rate cap agreements, the objectives of which are to establish a maximum debt service which may be paid over the life of the underlying bonds.

Since interest rates have declined since the implementation of the swap agreements, both had negative fair values as of June 30, 2009. The negative fair values may be countered by reductions in total interest payments required under the variable rate bonds, creating lower synthetic interest rates. Since the coupons on IHDA’s variable rate bonds adjust to changing interest rates, the bonds do not have corresponding fair value changes.

Illinois State Toll Highway Authority (“THA”)

To achieve lower fixed rate borrowing costs, the THA issued variable rate debt and entered into variable-to-fixed rate swap agreements. The objective was to obtain a synthetic fixed interest rate on the underlying bonds at a cost anticipated to be less than the amounts paid had the THA issued fixed rate debt.

The THA has entered into variable-to-fixed rate swap agreements (“Agreements”) on the entire amount of the Series 1993B (\$178 million), Series 1998B (\$123 million), Series 2007 A-1 (\$350 million), Series 2007 A-2 (\$350 million), Series 2008 A-1 (\$383.1 million) and Series 2008 A-2 (\$383.1 million) bond issues. Under the terms of Series 1993B Agreement, the THA each June 30 and December 31, beginning June 1993 and ending with maturity in December 2009, pays a fixed synthetic rate of 4.920% and receives a floating rate equal to the variable interest rate on the outstanding bonds, except that beginning August 20, 2008, the THA receives a floating rate equal to the SIFMA 7-day Municipal Swap Index; such change was due to a bond insurer downgrade. Under the terms of the two Series 1998B Agreements, the THA each January 1 and July 1, beginning July 1998 and ending with maturity in January 2017, pays a fixed synthetic rate of 4.325% and receives a floating rate equal to the variable interest rate on the outstanding bonds. Under the terms of the two Series 2007 A-1 Agreements, the THA each January 1 and July 1, beginning January 2008 and ending with maturity of the Agreements in July 2030, pays a fixed rate of 3.972% and on the first business day of each month receives a floating rate equal to the SIFMA 7-day Municipal Swap Index. Under the terms of the two Series 2007 A-2 Agreements, the THA each January 1 and July 1, beginning January 2008 and ending with maturity of the Agreements in July 2030, pays a fixed rate of 3.9925% and on the first business day of each month receives a floating rate equal to the SIFMA 7-day Municipal Swap Index. Under the terms of the two Series 2008 A-1 Agreements, on the first business day of each month beginning March 2008 and ending with maturity of the Agreements in January 2031, the THA pays a fixed rate of 3.774% and receives a floating rate equal to the SIFMA 7-day Municipal Swap Index. Under the terms of the two Series 2008 A-2 Agreements, on the first business day of each month beginning March 2008 and ending with maturity of the Agreements in January 2031, the THA pays a fixed rate of 3.764% and receives a floating rate equal to the SIFMA 7-day Municipal Swap Index.

University of Illinois (“U of I”)

To facilitate the advance refunding of the UIC South Campus Development Project Series 1999 Bonds and, as a means to lower its borrowing costs when compared against fixed rate bonds at the time of issuance in February 2006, the U of I entered into two interest rate swap agreements in connection with its \$54 million Series 2006A variable rate bonds for the UIC South Campus Development Project. The intention of the swaps was to effectively change the U of I’s variable interest rate on the Bonds to a synthetic fixed rate of 1.03% through August 2007 and 4.292% thereafter, which includes the Bonds’ current liquidity facility fee of 0.2%. In addition, there is a 0.08% current remarketing fee. In July 2008, the Series 2006A bonds were refunded by the Series 2008 bonds. The purpose of the refunding was to replace the Dexia liquidity facility with a JPMorgan Chase direct pay letter of credit. The letter of credit increased the liquidity facility fee to 0.55%. The notional amount, variable rate leg, and fixed rate leg of the interest rate swap with JPMorgan Securities remained the same. The notional amount of the interest rate swap with Morgan Stanley increased to \$27.4 million to hedge the additional bonds issued for the cost of issuance. The variable rate leg remained the same. The fixed rate leg declined to 4.086%.

The Bonds and related swap agreements mature in January 2022, and the swaps’ initial notional amount matches the variable rate Bonds (\$54 million). The swaps were entered into at the same time as the Bonds were issued in February 2006. Starting in fiscal year 2011, the notional value of the swaps and the principal amount of the associated Bonds begin to mature. Under the swaps, the U of I pays counterparties a fixed payment of 0.83% through August 2007 and 4.092% thereafter and receives a variable payment equal to its cost-of-funds through February 2010. Thereafter, the U of I receives a variable payment equal to 68% of one-month LIBOR. In February 2008, the variable payment that the U of I received changed from its cost-of-funds to the SIFMA Index plus 0.05% through February 2010.

In April 2007, the U of I entered into a variable-to-fixed interest rate swap agreement. The purpose of this interest rate swap was to hedge Series 2007 variable rate demand revenue refunding bonds for the Health Services Facility System (HSFS) issued in July 2007. The notional amount of the interest rate swap was \$41 million and equal to the par amount of the bonds issued. The U of I pays monthly payments to the counterparty equal to 3.534% times the notional amount and receives monthly payments from the counterparty equal to 68% of one-month LIBOR, commencing in October 2007. In June 2008, the U of I issued variable rate demand Health Services Facilities System Revenue Bonds, Series 2008. The proceeds from these bonds were invested in U.S. Treasury, State, and Local Government Securities until July 2008. In July 2008, the Series 2007 bonds were redeemed. The interest rate swap agreement with Lehman Brothers Commercial Bank (LBCB) transferred to the Series 2008 bonds in July 2008; \$340 thousand of this bond is not covered by the swap agreement. In September 2008, Lehman Brothers Holdings, Inc. (LBHI), the parent of LBCB filed for protection under Chapter 11 of the bankruptcy code. This caused an event of default under the HSFS Series 2008 interest rate swap agreement dated April 2, 2007, by and between LBCB and U of I. The U of I entered into a novation agreement which terminated the swap between LBCB and entered into a new interest rate swap agreement with a different counterparty with the same terms and conditions that were present in the April 2, 2007, agreement. On November 19, 2008, LBHI managed the bidding process for this interest rate swap. Loop Financial Products I LLC (Loop) won the bid at \$3.099 million, plus \$100 thousand to reimburse the U of I for expenses. The transaction closed on December 2, 2008 with Loop paying \$3.099 million to LBCB and \$100 thousand to the U of I. The U of I's expenses related to this transaction only included legal counsel and financial advisory services. \$3.665 million is recorded as a prepaid expense and a liability on the Statement of Net Assets representing the mark-to-market value of the swap at the date the transaction was negotiated between LBCB and Loop.

Additionally, to facilitate the advance refunding of the Series 2001 A and B Certificates of Participation for Utility Infrastructure Projects and, as a means to lower its borrowing costs when compared against fixed rate bonds at the time of issuance in March 2004, the U of I entered into an interest rate swap in connection with its \$144 million variable rate Series 2004 Certificates of Participation for Utility Infrastructure Projects ("Certificates"). The intention of the swap was to effectively change the U of I's variable interest rate on the Certificates to a synthetic fixed rate of 3.855%, which includes the Certificates' current liquidity facility fee of 0.09%. In addition, the current remarketing fee was increased from 0.05% to 0.10% in January 2009 by the remarketing agent.

The Certificates and related swap agreement mature in August 2021 and the swap's initial notional amount matches the variable rate Certificates (\$144 million). The swap was entered into at the same time as the Certificates were issued (March 2004). During fiscal year 2006, the notional value of the swap and the principal amount of the associated Certificates began to mature. Under the swap, the U of I pays the counterparty a fixed payment of 3.765% and receives a variable payment computed as 100% of the SIFMA Index. Conversely, the Certificates' variable interest rates are expected to approximate the SIFMA Index. For fiscal year 2009, the Certificates' average variable interest rate was approximately .09% below the SIFMA Index.

Risks

Credit risk

The State is subject to credit risk should the credit ratings of either the State or the Liquidity Provider deteriorate. The amount of the floating rate of interest on the 2003B general obligation

bonds may increase relative to the amount of the floating index received under the Agreements, thus requiring the State to pay any difference or shortfall. Conversely, if ratings of the State and Liquidity Provider improve relative to the market, the amount of the floating index received under the Agreements may exceed the amount of interest required for the 2003B bonds, resulting in additional receipts to the State.

As of June 30, 2009, IHDA was not exposed to credit risk because of the negative fair values of the swaps. Should interest rates change and the fair values become positive, IHDA would be exposed to credit risk in the amount of the swaps' fair value. Fair value is a factor only upon termination.

The THA has required counterparty ratings of at least 'A-1' from Moody's Investors Service and 'A+' from Standard & Poor's Corporation to enter into a swap agreement. Additionally, the THA has the right to terminate its swap agreements at any time. As of December 31, 2008, (the THA's fiscal year-end), eight of the eleven counterparties have credit ratings that equal or exceed the minimum credit rating that was required to enter into the Agreement. If the counterparties, for the Series 1993B, Series 1998B, Series 2007 A-1, Series 2007 A-2, Series 2008 A-1 and Series 2008 A-2 Agreements, are downgraded below acceptable levels, the agreements require that the counterparties post suitable and adequate collateral. The notional amount of the agreements equals the principal amount of the bonds of the Series 1993B, Series 1998B, Series 2007 A-1, Series 2007 A-2, Series 2008 A-1 and Series 2008 A-2 bond obligations.

For the U of I Series 2008 (South Campus) bonds, the credit ratings for the first counterparty by Standard & Poor's Corporation and Moody's Investors Service were AA- and Aa1, respectively. The credit ratings for the second counterparty by Standard & Poor's Corporation and Moody's Investors Service were A and A2, respectively. For the U of I Series 2008 (HSFS) bonds, the counterparty credit ratings by Standard & Poor's Corporation and Moody's Investors Service were A+ and Aa1, respectively. For the U of I Series 2004 Certificates of Participation, the counterparty credit ratings by Standard & Poor's Corporation and Moody's Investors Service were A and A2, respectively. To mitigate the potential for credit risk, if both credit ratings of the counterparties fall below BBB+ and Baa1 (Standard & Poor's Corporation and Moody's Investors Service, respectively), the fair value of the swap will be collateralized by the counterparty with U.S. Treasury Securities, Agency Notes and Municipal Securities. Collateral would be posted with a third party custodian.

Basis risk

Since the floating index under the Agreement is based on LIBOR, the State bears exposure to changing interest rate relationships between tax exempt and taxable debt markets. Should the value of tax exempt interest decrease in relation to taxable interest (as a result of a further lowering of income tax rates among other causes), tax exempt interest rates may rise (which the State pays on its 2003B general obligation bonds in the form of SIFMA) in relation to the floating interest rate index (which the State receives under the Agreements in the form of 67% of one month LIBOR when the Agreement is in LIBOR mode). If this were to occur, the State would pay any difference or shortfall. Conversely, if the value of tax exempt interest relative to taxable interest were to increase such that tax exempt interest rates decrease when compared to 67% of one month LIBOR (when the Agreements are in LIBOR mode), the floating index received under the Agreements could exceed the amount of interest required for the 2003B bonds, resulting in additional receipts for the State.

IHDA would be exposed to basis risk on its swap agreements should the variable payment received be based on an index other than the index on the underlying bonds. Should the

relationship between the indexes converge, the expected cost savings may not be realized. IHDA believes its swap agreements have been structured to minimize or eliminate this risk.

The THA has implemented a strategy on the agreements associated with the Series 1993B, Series 1998B, Series 2007 A-1, Series 2007 A-2, Series 2008 A-1, and Series 2008 A-2 bonds, which was designed to provide a synthetic fixed rate below the traditional fixed interest rate available at the time of the financings, producing interest rate savings to the THA. The agreements expose the THA to basis risk should the variable interest rate on the bonds and the SIFMA Index diverge. If an unfavorable divergence occurs, the expected cost savings may not be realized. As of December 31, 2008 (THA's fiscal year-end), the SIFMA rate in effect for the agreements was 1.25%.

To minimize the potential for basis risk for the Series 2008 (South Campus) and Series 2008 (HSFS) bonds and Series 2004 Certificates of Participation, the U of I engaged a third party consultant to calculate the "mark-to-market" or "market value" of the swap transactions. As of June 30, 2009, the combined mark-to-market value of the two swaps associated with the Series 2008 (South Campus) bonds were \$(7.0) million, the mark-to-market value of the Series 2008 (HSFS) bond was \$(90) thousand and the mark-to-market value of the swap associated with the Series 2004 Certificates of Participation was \$(9.4) million. The negative amounts represent an approximation of the amount of money the U of I may have to pay a swap provider to terminate the swap. In accordance with governmental accounting standards, these amounts are not required to be included in the accompanying financial statements.

Termination risk

Should the State or a counterparty fail to perform under the terms of the Agreement, there may be a termination of the Agreement. In such an event the State may incur an unhedged variable rate position with its 2003B general obligation bonds and potentially owe a net termination payment if the market value of the contract is against the State. Posting collateral by the counterparty (in the form of cash, unconditional Treasury obligations or Treasury guaranteed agency securities), if required by the credit rating of the counterparty, protects the State's interest against the counterparty's failure when the market value is in favor of the State. The State is never required to post collateral when the value is in favor of the counterparty (as is the case as of June 30, 2009).

IHDA or the counterparty may terminate any of the swap agreements if the other party fails to perform under the terms of the swap agreements. If a swap is insured, a termination event occurs if the insurer fails to meet its obligations under the agreement. On October 5, 2008, the counterparty to a swap agreement entered into on April 10, 2002, in connection with IHDA's Homeowner Mortgage Revenue Bonds 2002 Series B filed bankruptcy, which constituted a default under the swap agreement and triggered a termination of the agreement. On November 24, 2008, as required under the swap agreement, IHDA issued a Notice of an Event of Default to the counterparty setting an early termination date of November 24, 2008. IHDA is obligated to pay a settlement amount under the agreement and as of June 30, 2009, has recorded a liability of \$429 thousand for such settlement.

The THA may terminate any of the swap agreements at any time, and the counterparty may, under certain circumstances, terminate if the THA fails to perform under the terms of the swap agreements. On a current mark-to-market basis, using December 31, 2008 (THA's fiscal year-end) as a termination date, the net present value of each of the swaps would require the THA to make an estimated combined termination payment, in the event that the outstanding swaps were terminated, of approximately \$1.7 million, \$17.2 million, \$59.8 million, \$60.9 million, \$54.7

million, and \$54.2 million for Series 1993B, Series 1998B, Series 2007 A-1, Series 2007 A-2, Series 2008 A-1, and Series 2008 A-2 bonds, respectively.

The U of I has the option to terminate all of their swaps early. The U of I or the counterparties may terminate the swaps if the other party fails to perform under the terms of the agreement. The U of I may also terminate the individual swaps if both credit ratings of the counterparties fall below BBB+ as issued by Standard and Poor's Corporation and Baa1 as issued by Moody's Investors Service. If the swaps are terminated, the variable rate Bonds or Certificates would no longer carry a synthetic fixed interest rate. Also, if at the time of termination the swaps have a negative fair value, the U of I would be liable to the counterparties for a payment equal to the swaps' fair value.

Rollover risk

All of the swap agreements discussed above have been structured to protect the issuing agency from exposure to rollover risk.

Details of the various debt related derivative agreements in effect as of June 30, 2009 (except for the THA which is as of December 31, 2008) are as follows:

Table 14-1 (amounts expressed in thousands)

| Associated Bond Issue (1) | Notional Amounts | Effective Date | Fixed Rate Paid | Variable Rate Received | Rate in Effect at 6/30/09 | Fair Values (2) | Swap Termination Date | Counterparty Credit Rating (3) |
|---|---------------------|-------------------|-----------------------|--|---------------------------------|---------------------|-----------------------------|--------------------------------------|
| Primary Government | | | | | | | | |
| Governmental Activities | | | | | | | | |
| Interest Rate Swap Contracts | | | | | | | | |
| Series 2003B | \$ 384,000 | 10/03 | 3.890% | 67% of 1 mo. LIBOR [^] , | 0.35% | \$ (56,682) | 10/33 | A+/Aa1/AA- |
| General Obligation Bonds | 54,000 | 10/03 | 3.890% | when 1 mo. LIBOR | 0.35% | (7,471) | 10/33 | A-/A3/A |
| | 54,000 | 10/03 | 3.890% | is ≥ 2.5%, or | 0.35% | (7,553) | 10/33 | A/A2/A+ |
| | 54,000 | 10/03 | 3.890% | SIFMA [^] , when 1 mo. | 0.35% | (7,003) | 10/33 | AA-/Aa1/AA- |
| | 54,000 | 10/03 | 3.890% | LIBOR is < 2.5% | 0.35% | (7,744) | 10/33 | A/A2/A+ |
| | <u>\$ 600,000</u> | | | | | <u>\$ (86,453)</u> | | |
| Major Component Units | | | | | | | | |
| IHDA | | | | | | | | |
| Interest Rate Swap Contracts | | | | | | | | |
| HMRB* | | | | | | | | |
| Series 2001D | \$ 755 | 7/01 | 6.130% | 1 mo. LIBOR [^] +30bp ^{^^} | 0.62% | \$ (11) | 2/10 | AA-/Aa1/-- |
| Series 2001F | 10,000 | 1/02 | 6.615% | 1 mo. LIBOR [^] +40bp ^{^^} | 0.72% | (2,281) | 8/20 | A/A2/-- |
| Interest Rate Cap | | | | | | | | |
| HB** | | | | | | | | |
| Series 2004B | 7,000 | 3/04 | 5.000% | N/A | 1.25% | 10 | 4/12 | AA-/Aa1/-- |
| Series 2008A | 14,170 | 1/08 | 5.750% | N/A | 0.50% | 40 | 12/12 | AA-/Aa1/-- |
| Series 2008B | 36,885 | 7/06 | 5.500% | N/A | 0.35% | 21 | 6/11 | AA-/Aa1/-- |
| Series 2008C | 5,500 | 6/06 | 4.750% | N/A | 0.50% | 42 | 6/21 | A+/Aa3/-- |
| | <u>\$ 74,310</u> | | | | | <u>\$ (2,179)</u> | | |
| THA- | | | | | | | | |
| Interest Rate Exchange Agreements | | | | | | | | |
| Series 1993B | \$ 80,500 | 3/93 | 4.920% | SIFMA [^] 7 day Municipal Index | 1.25% | \$ (1,662) | 12/09 | AA-/Aa2/-- |
| Series 1998B | 67,705 | 12/98 | 4.325% | Cost of Funds | 2.25% | (9,480) | 1/17 | AAA/Aaa/-- |
| Series 1998B | 55,395 | 12/98 | 4.325% | Cost of Funds | 2.25% | (7,756) | 1/17 | AAA/Aaa/-- |
| Series 2007 A-1 | 175,000 | 11/07 | 3.972% | SIFMA [^] 7 day Municipal Index | 1.25% | (29,893) | 7/30 | A+/Aa3/-- |
| Series 2007 A-1 | 175,000 | 11/07 | 3.972% | SIFMA [^] 7 day Municipal Index | 1.25% | (29,893) | 7/30 | A/Aa3/-- |
| Series 2007 A-2 | 262,500 | 11/07 | 3.9925% | SIFMA [^] 7 day Municipal Index | 1.25% | (45,642) | 7/30 | AA-/Aaa/-- |
| Series 2007 A-2 | 87,500 | 11/07 | 3.9925% | SIFMA [^] 7 day Municipal Index | 1.25% | (15,214) | 7/30 | A+/Aa2/-- |
| Series 2008 A-1 | 191,550 | 2/08 | 3.774% | SIFMA [^] 7 day Municipal Index | 1.25% | (27,377) | 1/31 | AA-/Aaa/-- |
| Series 2008 A-1 | 191,550 | 2/08 | 3.774% | SIFMA [^] 7 day Municipal Index | 1.25% | (27,377) | 1/31 | A+/Aa1/-- |
| Series 2008 A-2 | 287,325 | 2/08 | 3.764% | SIFMA [^] 7 day Municipal Index | 1.25% | (40,642) | 1/31 | BBB/A3/-- |
| Series 2008 A-2 | 95,775 | 2/08 | 3.764% | SIFMA [^] 7 day Municipal Index | 1.25% | (13,547) | 1/31 | A/A2/-- |
| | <u>\$ 1,669,800</u> | | | | | <u>\$ (248,483)</u> | | |
| U of I | | | | | | | | |
| Interest Rate Swap Contracts | | | | | | | | |
| Revenue Bonds | | | | | | | | |
| Series 2008 | \$ 27,395 | 2/06*** | 4.086% | SIFMA [^] plus .05% | 0.35% | \$ (3,479) | 1/22 | A/A2/-- |
| (South Campus) | | | | | | | | |
| Series 2008 | 26,850 | 2/06*** | 4.092% | SIFMA [^] plus .05% | 0.35% | (3,492) | 1/22 | AA-/Aa1/-- |
| (South Campus) | | | | | | | | |
| Series 2008 | 40,875 | 4/07*** | 3.534% | 68% of 1 mo. LIBOR [^] | 0.30% | (90) | 10/26 | A+/Aa1/-- |
| (Health Services Facility System) | | | | | | | | |
| Certificates of Participation | | | | | | | | |
| Series 2004 | 139,765 | 3/04 | 3.765% | SIFMA [^] Municipal Swap Index | 0.40% | (9,358) | 8/21 | A/A2/-- |
| | <u>\$ 234,885</u> | | | | | <u>\$ (16,419)</u> | | |
| ~ As of 12/31/08 (THA's fiscal year-end) | | | | | | | | |
| * Homeowner Mortgage Revenue Bonds | | | | | | | | |
| ** Housing Bonds | | | | | | | | |
| *** Swap agreement was transferred from original issue to the refunded bond issue. | | | | | | | | |
| (1) All bond issues are taxable debt instruments. | | | | | | | | |
| (2) Includes accrued interest. | | | | | | | | |
| (3) Credit rating companies: Standard and Poor's (S&P)/Moody's Investors Services/Fitch Rating Services | | | | | | | | |

As of June 30, 2009 (except for THA which is as of December 31, 2008), debt service requirements of outstanding variable rate debt and net swap payments, assuming current interest rates remain the same, for their terms are as follows:

Table 14-2 (amounts expressed in thousands)

Swap Payments and Associated Debt**Variable Rate Debt****Primary Government**

| Year Ending June 30 | Governmental Activities | | | |
|------------------------|-------------------------|------------------|-----------------------------|--------------------|
| | Principal | Interest | Interest Rate Swaps, Net | Total |
| 2010 | \$ -- | \$ 21,000 | \$ 21,240 | \$ 42,240 |
| 2011 | -- | 21,000 | 21,240 | 42,240 |
| 2012 | -- | 21,000 | 21,240 | 42,240 |
| 2013 | -- | 21,000 | 21,240 | 42,240 |
| 2014 | -- | 21,000 | 21,240 | 42,240 |
| 2015-2019 | -- | 105,000 | 106,200 | 211,200 |
| 2020-2024 | 243,000 | 89,912 | 90,939 | 423,851 |
| 2025-2029 | 217,100 | 50,216 | 50,790 | 318,106 |
| 2030-2034 | 139,900 | 11,965 | 12,101 | 163,966 |
| Total | \$ 600,000 | \$362,093 | \$ 366,230 | \$1,328,323 |

Major Component Units

| Year Ending June 30 | Illinois Housing Development Authority | | | | Illinois State Toll Highway Authority | | | |
|------------------------|--|-----------------|-----------------------------|------------------|---------------------------------------|-------------------|-----------------------------|---------------------|
| | Principal | Interest | Interest Rate Swaps, Net | Total | Principal | Interest | Interest Rate Swaps, Net | Total |
| 2010 | \$ 2,305 | \$ 387 | \$ 618 | \$ 3,310 | \$ 36,100 | \$ 55,117 | \$ 42,610 | \$ 133,827 |
| 2011 | 2,450 | 371 | 590 | 3,411 | 44,400 | 54,340 | 40,981 | 139,721 |
| 2012 | 2,605 | 355 | 589 | 3,549 | -- | 54,340 | 40,981 | 95,321 |
| 2013 | 1,860 | 340 | 589 | 2,789 | -- | 54,340 | 40,981 | 95,321 |
| 2014 | 1,970 | 331 | 589 | 2,890 | -- | 54,340 | 40,981 | 95,321 |
| 2015-2019 | 18,335 | 1,442 | 2,329 | 22,106 | 126,900 | 264,768 | 198,580 | 590,248 |
| 2020-2024 | 17,360 | 903 | 177 | 18,440 | 21,800 | 253,983 | 190,048 | 465,831 |
| 2025-2029 | 22,350 | 460 | -- | 22,810 | 885,900 | 177,370 | 134,708 | 1,197,978 |
| 2030-2034 | 2,785 | 138 | -- | 2,923 | 554,700 | 20,735 | 14,972 | 590,407 |
| 2035-2039 | 1,485 | 40 | -- | 1,525 | -- | -- | -- | -- |
| 2040-2044 | 805 | 6 | -- | 811 | -- | -- | -- | -- |
| Total | \$ 74,310 | \$ 4,773 | \$ 5,481 | \$ 84,564 | \$ 1,669,800 | \$ 989,333 | \$ 744,842 | \$ 3,403,975 |

| Year Ending June 30 | University of Illinois--Revenue Bonds | | | | University of Illinois--Certificates of Participation | | | |
|------------------------|---------------------------------------|-----------------|-----------------------------|-------------------|---|---------------|-----------------------------|-------------------|
| | Principal | Interest | Interest Rate Swaps, Net | Total | Principal | Interest | Interest Rate Swaps, Net | Total |
| 2010 | \$ -- | \$ 314 | \$ 3,350 | \$ 3,664 | \$ 139,765 | \$ 584 | \$ 4,915 | \$ 145,264 |
| 2011 | 245 | 314 | 3,347 | 3,906 | -- | -- | -- | -- |
| 2012 | 1,705 | 309 | 3,309 | 5,323 | -- | -- | -- | -- |
| 2013 | 4,315 | 300 | 3,207 | 7,822 | -- | -- | -- | -- |
| 2014 | 6,530 | 283 | 3,025 | 9,838 | -- | -- | -- | -- |
| 2015-2019 | 38,085 | 1,058 | 11,305 | 50,448 | -- | -- | -- | -- |
| 2020-2024 | 34,685 | 369 | 3,948 | 39,002 | -- | -- | -- | -- |
| 2025-2029 | 9,895 | 17 | 450 | 10,362 | -- | -- | -- | -- |
| Total | \$ 95,460 | \$ 2,964 | \$ 31,941 | \$ 130,365 | \$ 139,765 | \$ 584 | \$ 4,915 | \$ 145,264 |

As rates vary, variable rate bond interest payments and net swap payments will vary.

15 REFUNDINGS OF LONG-TERM OBLIGATIONS

A. Advance Refundings

During the year ended June 30, 2009 (except for the Illinois State Toll Highway Authority which is as of December 31, 2008), the State issued advanced refunding debt to lower interest rates. This debt was issued to refund portions of earlier issues. The principal of the refunded debt will be redeemed on various dates through 2016 at a redemption price of 100%. Proceeds from the sales, together with other funds, were placed in irrevocable trusts that are used to service the future debt requirements of the old debt. As a result, the refunded debt is considered to be defeased and the liability for this debt has been removed from the financial statements of the State. At June 30, 2009, the outstanding balance of the defeased debt was \$708.3 million. Advance refunding debt issued during fiscal year 2009 was as follows:

Table 15-1 (amounts expressed in millions)

| | Par Value of Refunding Issue | Refunding Issue Interest Rates | Par Value of Bonds Refunded | Interest Rates of Bonds Refunded | Debt Service Decreased by Refunding | Refunding Economic Gain | Accounting (Loss) |
|--|---------------------------------------|---|--------------------------------------|---|---|-------------------------------|----------------------|
| Major Component Units | | | | | | | |
| Revenue Bonds: | | | | | | | |
| Illinois State Toll Highway Authority 2008 Series A-1 and A-2 | \$ 766.2 | Variable | \$ 708.3 | 5.00% | \$ 47.1 | \$ 29.6 | \$ (39.7) |

B. Current Refundings

During the year ended June 30, 2009, the State issued current refunding debt to defease bonds and certificates of participation which were currently outstanding. Proceeds from the sale of these revenue bonds, together with other funds, were used to currently refund earlier issues maturing on dates ranging from April 1, 2009 through April 1, 2035 at a redemption price of 100%. Current refunding debt issued during fiscal year 2009 was as follows:

Table 15-2 (amounts expressed in millions)

| | Par Value of Refunding Issue | Refunding Issue Interest Rates | Par Value of Bonds Refunded | Interest Rates of Bonds Refunded | Debt Service (Increased)/ Reduced by Refunding | Refunding Economic Gain/ (Loss) | Accounting (Loss) |
|--|---------------------------------------|---|--------------------------------------|---|---|--|----------------------|
| Major Component Units | | | | | | | |
| Revenue Bonds: | | | | | | | |
| University of Illinois | | | | | | | |
| Health Services Facilities Series 2008 | \$ 41.2 | Variable | \$ 40.9 | Variable | \$ -- | \$ -- | \$ (3.1) |
| UIC South Campus Series 2008 | 54.2 | Variable | 53.7 | Variable | (2.6) | (2.0) | (4.1) |
| Series 2009A | 84.1 | 2.00% to 5.75% | 67.0 | Variable | (2.0) | (0.7) | (0.6) |
| | <u>\$ 179.5</u> | | <u>\$ 161.6</u> | | <u>\$ (4.6)</u> | <u>\$ (2.7)</u> | <u>\$ (7.8)</u> |
| Certificates of Participation: | | | | | | | |
| University of Illinois | | | | | | | |
| Series 2009A and 2009B | \$ 113.2 | (1) and (2) | \$ 112.8 | Variable | \$ 18.3 | \$ 14.4 | \$ (0.4) |

(1) Interest rates on the Certificates of Participation Series 2009A range from 3.00% to 5.25%.
(2) Series 2009B are variable rate Certificates of Participation.

C. Prior Year Refundings

In prior years, the State defeased certain callable maturities of general obligation, special obligation, and revenue bonds and certificates of participation by placing the proceeds of new debt in an irrevocable trust to provide for all future debt service payments on the old debt. Accordingly, the trust account assets and the liability for the defeased debt are not included in the State's financial statements. At June 30, 2009, the outstanding balances of prior year defeased debt were as follows:

| | Primary Government | Major Component Units | | | | |
|-------------------------------|----------------------------|--|------------------------------|---------------------------------|---------------------------------|---------------------------|
| | Governmental Activities | Illinois Housing Development Authority | Illinois State University | Northern Illinois University | Southern Illinois University | University of Illinois |
| General obligation bonds | \$ 614,125 | \$ -- | \$ -- | \$ -- | \$ -- | \$ -- |
| Special obligation bonds | 19,500 | -- | -- | -- | -- | -- |
| Revenue bonds | -- | 38,770 | 10,522 | 1,825 | 12,090 | 200,765 |
| Certificates of participation | -- | -- | -- | -- | -- | 224,245 |
| | <u>\$ 633,625</u> | <u>\$ 38,770</u> | <u>\$ 10,522</u> | <u>\$ 1,825</u> | <u>\$ 12,090</u> | <u>\$ 425,010</u> |

16 RETIREMENT SYSTEMS

Plan Descriptions. The State of Illinois sponsors five public employee retirement systems that are included in the State's financial statements as pension trust funds.

The General Assembly Retirement System ("GARS"), Judges' Retirement System ("JRS"), and State Employees' Retirement System ("SERS") are the administrators of single-employer defined benefit pension plans. The GARS, JRS, and SERS are governed by articles 2, 18, and 14, respectively, of the Illinois Pension Code (40 ILCS 5/1, et. al.).

The Teachers' Retirement System ("TRS") is the administrator of a cost-sharing multiple-employer public employee defined benefit pension plan with a "special funding situation" as described below. It provides coverage to teachers employed by public school districts in Illinois (excluding Chicago) even though most covered employees are not State employees. There are 867 local school districts, 140 special districts, and 23 other State agencies that contribute to the TRS plan. At June 30, 2009, the TRS had outstanding receivables of \$24.808 million for payroll deduction agreements with members for optional services, refund repayments, and upgrade balances owed to the TRS.

The State Universities Retirement System ("SURS") is the administrator of a cost-sharing multiple-employer public employee defined benefit pension plan and a defined contribution plan with a "special funding situation" as described below. The SURS provides coverage to faculty and staff of State universities, community colleges, and related agencies, of which some covered employees are not State employees. There are 9 universities, 39 community college districts, and 15 other State agencies that contribute to the SURS plan.

The State of Illinois is legally mandated to make contributions to the TRS and SURS. Because the State contributes most of the TRS and SURS employer contributions, the single employer

provisions of GASB Statement No. 27 have been followed for reporting those systems in the statewide CAFR. The TRS and SURS are governed by articles 16 and 15, respectively, of the Illinois Pension Code.

Effective January 1, 1998, legislation established an alternative defined benefit program known as the Portable Benefit Option Plan within the SURS. This option is offered in addition to the existing traditional benefit option. All members who are eligible for the traditional benefit option are eligible for the portable option. New and existing members are provided a window period in which to make an irrevocable election. The portable option provides an enhanced refund at termination for those who leave SURS with at least five years of service. Offsetting this additional cost is the elimination of the survivor benefit package. This program is designed to be cost-neutral in relation to the traditional option. Approximately 19 thousand of the approximately 84 thousand members have chosen this option.

Legislation, effective January 1, 1998, also required the SURS to offer a Self-Managed Plan. This is a defined contribution plan and is offered to employees of all SURS employers who elect to participate. All but two SURS employers participate in the Self-Managed Plan. The Self-Managed Plan is a qualified money purchase plan under Section 401(a) of the Internal Revenue Code. The assets are maintained under a trust administered by the SURS Board of Trustees in accordance with the Illinois Pension Code. Approximately 10 thousand of the approximately 84 thousand active members have chosen this option. \$573.595 million of the \$11.607 billion total net assets relate to the Self-Managed Plan. Plan member contributions were \$48.825 million and the State contributions, along with employer consisting of grant reimbursements, were \$38.265 million for the year ended June 30, 2009.

Each of the five State-sponsored retirement systems provide retirement, death, and disability benefits to members and beneficiaries. Each plan also issues a publicly available financial report that includes financial statements and required supplementary information for that plan. Those reports may be obtained by writing or calling the plan as follows:

- General Assembly Retirement System and Judges' Retirement System, 2101 South Veterans Parkway, PO Box 19255, Springfield, Illinois, 62794-9255, (217) 782-8500.
- State Employees' Retirement System, 2101 South Veterans Parkway, PO Box 19255, Springfield, Illinois, 62794-9255, (217) 785-2340.
- Teachers' Retirement System, 2815 West Washington Street, PO Box 19253, Springfield, Illinois, 62794-9253, (217) 753-0311.
- State Universities Retirement System, 1901 Fox Drive, Champaign, Illinois, 61820-7333, (217) 378-8800.

Funding Policy and Annual Pension Cost. Member contributions are based on fixed percentages set by statute ranging from 4.0% to 12.5%. The State's funding requirements have been established by statute (Public Act 88-593) effective July 1, 1995 and provide for a systematic 50-year funding plan with an ultimate goal to achieve "90% funding" of the systems' liabilities. In addition, the funding plan provides for a 15-year phase-in period to allow the State to adapt to the increased financial commitment. Once the 15-year phase-in period is complete, the State's contribution will then remain at a level percentage of payroll for the next 35 years until the 90% funded level is achieved. However, Public Act 94-0004 decreased the required funding levels for fiscal years 2006 and 2007 to \$938.400 million and \$1.375 billion, respectively, and requires the State's contribution to increase in equal annual increments from fiscal years 2008 to 2010 to ensure that the fiscal year 2006 and 2007 decreases have no long-term effect on contributions. In addition, pursuant to Public Act 93-0002, the State made a

contribution from general obligation bond proceeds of \$7.3 billion to the retirement systems to fund a portion of the State's unfunded liability. The State met its funding requirement established by *statutory law* for the fiscal year ended June 30, 2009. Actual contributions varied slightly from contributions required by statute mainly because of differences between estimated and actual federal contributions.

The current statutory law includes a "continuing appropriation," which means that the State must automatically provide funding to the pension systems based on actuarial cost requirements and amortization of the unfunded liability without being subject to the General Assembly's appropriation process.

This statutory funding requirement differs significantly from the annual pension cost ("APC") because the statutory plan does not conform to the GASB Statement No. 27 accounting parameters. The State's APC for the current year and related information for each plan is included in Table 16-1.

| | GARS | JRS | SERS | TRS | SURS |
|--|-----------|------------|--------------|---------------|--------------|
| Actuarially required contribution ("ARC") | \$ 11,129 | \$ 78,386 | \$ 1,003,433 | \$ 2,109,480 | \$ 874,039 |
| Plus: Interest on net pension obligation ("NPO") | 4,399 | 30,881 | 132,143 | 941,435 | 520,287 |
| Adjustment to the ARC | (3,569) | (25,100) | (100,776) | (571,005) | (329,542) |
| Annual pension cost ("APC") | 11,959 | 84,167 | 1,034,800 | 2,479,910 | 1,064,784 |
| Employer contributions | 8,856 | 59,983 | 774,910 | 1,601,605 | 451,617 |
| Increase in NPO | 3,103 | 24,184 | 259,890 | 878,305 | 613,167 |
| NPO at June 30, 2008 | 55,447 | 389,260 | 1,554,625 | 11,075,702 | 6,121,021 |
| NPO at June 30, 2009 | \$ 58,550 | \$ 413,444 | \$ 1,814,515 | \$ 11,954,007 | \$ 6,734,188 |

The annual pension cost, the percentage of annual pension cost contributed for the year, and the net pension obligation at the end of the year for the current fiscal year and the two preceding fiscal years are presented in Table 16-2:

| | GARS | JRS | SERS | TRS | SURS |
|------------------------------------|-----------|------------|--------------|---------------|--------------|
| Annual Pension Cost ("APC") | | | | | |
| 6/30/2009 | \$ 11,959 | \$ 84,167 | \$ 1,034,800 | \$ 2,479,910 | \$ 1,064,784 |
| 6/30/2008 | \$ 12,298 | \$ 86,569 | \$ 1,006,815 | \$ 2,274,402 | \$ 881,513 |
| 6/30/2007 | \$ 11,296 | \$ 81,425 | \$ 835,452 | \$ 2,279,188 | \$ 861,306 |
| % of APC Contributed | | | | | |
| 6/30/2009 | 74.05% | 71.27% | 74.89% | 64.58% | 42.41% |
| 6/30/2008 | 55.37% | 54.27% | 58.38% | 51.43% | 39.13% |
| 6/30/2007 | 48.42% | 43.28% | 42.95% | 35.83% | 30.32% |
| Net Pension Obligation | | | | | |
| 6/30/2009 | \$ 58,550 | \$ 413,444 | \$ 1,814,515 | \$ 11,954,007 | \$ 6,734,188 |
| 6/30/2008 | \$ 55,447 | \$ 389,260 | \$ 1,554,625 | \$ 11,075,702 | \$ 6,121,021 |
| 6/30/2007 | \$ 49,959 | \$ 349,669 | \$ 1,135,543 | \$ 9,971,073 | \$ 5,584,453 |

Funded Status. The funded status and funding progress of the State's retirement systems is presented in Table 16-3.

Table 16-3 (amounts expressed in thousands)

| Plan | Actuarial Valuation Date | (a) Actuarial Value of Assets | (b) Actuarial Accrued Liability ("AAL") Projected Unit Credit | (c) Unfunded AAL ("UAAL") (b-a) | (d) Funded Ratio (a/b) | (e) Covered Payroll | (f) UAAL as a Percentage of Covered Payroll (c/e) |
|------|--------------------------------|--|---|---|---------------------------------|---------------------------|---|
| GARS | 6/30/2009 | \$ 71,574 | \$ 245,226 | \$ 173,652 | 29.2% | \$ 14,728 | 1179.1% |
| JRS | 6/30/2009 | \$ 616,849 | \$ 1,548,509 | \$ 931,660 | 39.8% | \$ 155,645 | 598.6% |
| SERS | 6/30/2009 | \$ 10,999,954 | \$ 25,298,346 | \$ 14,298,392 | 43.5% | \$ 4,027,263 | 355.0% |
| TRS | 6/30/2009 | \$ 38,026,044 | \$ 73,027,198 | \$ 35,001,154 | 52.1% | \$ 8,945,021 | 391.3% |
| SURS | 6/30/2009 | \$ 14,281,998 | \$ 26,316,231 | \$ 12,034,233 | 54.3% | \$ 3,463,922 | 347.4% |

Actuarial Methods and Assumptions. Actual valuations of an ongoing retirement system involve estimates and calculations of the value of reported amounts and assumptions about the probability of occurrence of events on a long-term perspective. Examples include assumptions about future employment and mortality. Amounts determined regarding the funded status of the retirement systems and the annual required contributions of the State are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress of the State's retirement systems, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of the retirement systems' assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the types of benefits provided and the cost sharing between the employer and plan members at the time of each valuation and do not include the potential effects of legal or contractual funding. Information about actuarial methods and assumptions used in the actuarial valuation of the plan is presented in Table 16-4.

Table 16-4 (amounts expressed in thousands)

| | GARS | JRS | SERS | TRS | SURS |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
| Required contribution amounts/rates: | | | | | |
| Statutory required contribution * | \$ 8,847 | \$ 59,983 | \$ 769,852 | \$ 1,556,737 | \$ 451,617 |
| Members | 11.5% | 11% | 4%-12.5% | 9.4% | 8%-9.5% |
| Actuarial valuation date of the ARC | 6/30/2007 | 6/30/2007 | 6/30/2007 | 6/30/2007 | 6/30/2008 |
| Actuarial valuation date of the UAAL | 6/30/2009 | 6/30/2009 | 6/30/2009 | 6/30/2009 | 6/30/2009 |
| Actuarial cost method | Proj. Unit Credit | Proj. Unit Credit | Proj. Unit Credit | Proj. Unit Credit | Proj. Unit Credit |
| Amortization method | Level % of pay | Level % of pay | Level % of pay | Level % of pay | Level % of pay |
| Remaining amortization period | 30 years. Open | 30 years. Open | 30 years. Open | 30 years. Open | 30 years. Open |
| Asset valuation method ** | 5-Year Smoothed | 5-Year Smoothed | 5-Year Smoothed | 5-Year Smoothed | 5-Year Smoothed |
| Actuarial assumptions: | | | | | |
| Investment rate of return *** | 8% | 8% | 8.5% | 8.5% | 8.5% |
| Projected salary increases *** | 5% | 5% | 4% - 8.35% | 6% - 11.1% **** | 5% - 10% |
| Postretirement benefit increases | 3% | 3% | 3% | 3% | 3% |
| Inflation rate | 4% | 4% | 3% | 3.5% | 3.75% |
| <p>* Public Act 88-593 provides for 50-year funding including 15-year phase-in of employer contributions as a percentage of active member payroll increasing until fiscal year 2010, and remaining at that level until fiscal year 2045 when the Systems' funded ratios will be 90%. Public Act 94-004 amended Public Act 88-593 by reducing contributions for fiscal years 2006 and 2007 and requiring incremental increases for fiscal years 2008 through 2010 in order that the funded ratio in fiscal year 2011 will not be impacted.</p> <p>** The asset valuation method was changed during the current fiscal year from fair value to a methodology which smoothes investment gains and losses over a five year period.</p> <p>*** Includes inflation rate listed</p> <p>**** Composite, approximately 7.0%</p> <p>Note: The above actuarial assumptions are the actuarial assumptions used at June 30, 2007 to calculate the ARC for the year ended June 30, 2009. The actuarial assumptions used at June 30, 2009 to calculate the actuarial accrued liability as reported in the required supplementary information were the same except for the following:</p> | | | | | |
| | | | SERS | TRS | |
| Projected salary increases | | | 4% - 8.35% | 6% - 11.1% **** | |
| ***** Composite, approximately 7% | | | | | |

17 POSTEMPLOYMENT BENEFITS

Plan Description. The State Employees Group Insurance Act of 1971 (“Act”), as amended, authorizes the State to provide health, dental, vision, and life insurance benefits for certain retirees and their dependents. Substantially all State and university component unit employees become eligible for these other postemployment benefits (“OPEB”) if they eventually become annuitants of one of the State sponsored pension plans. The Department of Healthcare and Family Services and the Department of Central Management Services administer these benefits for annuitants with the assistance of the public retirement systems sponsored by the State (General Assembly Retirement System, Judges Retirement System, State Employees Retirement System, Teachers Retirement System, and the State Universities Retirement System). The portions of the Act related to OPEB establishes a cost-sharing multiple-employer defined benefit OPEB plan with a special funding situation for employees of the State’s component unit universities. The plan does not issue a stand-alone financial report.

The health, dental, and vision benefits provided to and contribution amounts required from annuitants are the result of collective bargaining between the State and the various unions representing the State’s and the university component units’ employees in accordance with limitations established in the Act. Therefore, the benefits provided and contribution amounts are subject to periodic change. The Act requires the State to provide life insurance benefits for annuitants equal to their annual salary as of the last day of employment until age 60, at which time the benefit amount becomes \$5,000.

Funding Policy and Annual OPEB Cost. In accordance with the Act, the State contributes toward the cost of an annuitant’s coverage under the basic program of group health, dental, and vision benefits an amount equal to five percent of that cost for each full year of creditable service up to a maximum of one hundred percent for an annuitant with twenty or more years of creditable service. For fiscal year 2009, the annual cost of the basic program of group health, dental, and vision benefits before the State’s contribution was \$6,322.32 (\$2,383.20 if Medicare eligible) if the annuitant chose benefits provided by a health maintenance organization and \$9,389.52 (\$2,371.44 if Medicare eligible) if the annuitant chose other benefits. The State is not required to fund the plan other than the pay-as-you-go amount necessary to provide the current benefits to retirees.

For current employees, contributions are dependent upon annual salary and whether or not the employee chooses to receive benefits through a health maintenance organization. Current employee contribution rates to the plan are presented in Table 17-1.

| Table 17-1 | | |
|------------------------|--|--|
| Employee Annual Salary | Annual Employee Health, Dental, and Vision Contribution Requirements | |
| | Benefits Through a Health Maintenance Organization | Benefits Provided Through Other Than a Health Maintenance Organization |
| | | |
| \$29,500 and below | \$582 | \$882 |
| \$29,501 - \$44,600 | \$642 | \$942 |
| \$44,601 - \$59,300 | \$672 | \$972 |
| \$59,301 - \$74,300 | \$702 | \$1,002 |
| \$74,301 and above | \$732 | \$1,032 |

The State’s lack of funding requirement differs significantly from the annual OPEB cost (“AOPEBC”) as pay-as-you-go does not conform to the GASB Statement No. 45 accounting

parameters. The State's AOEBC for the current year and related information is included in Table 17-2.

| Table 17-2 (amounts expressed in thousands) | |
|---|--------------|
| Actuarially required contribution ("ARC") | \$ 1,825,283 |
| Plus: Interest on net other postemployment benefits obligation ("NOPEBO") | 55,716 |
| Adjustment to the ARC | (41,271) |
| Annual other postemployment benefits cost | 1,839,728 |
| Benefits paid during the year | 603,605 |
| Increase in NOPEBO | 1,236,123 |
| NOPEBO at June 30, 2008 | 1,238,131 |
| NOPEBO at June 30, 2009 | \$ 2,474,254 |

The annual pension cost, the percentage of annual pension cost contributed for the year, and the net pension obligation at the end of the year for the current fiscal year and the preceding fiscal year are presented in the following Table 17-3.

| Table 17-3 (amounts expressed in thousands) | |
|---|--------------|
| | 6/30/2009 |
| Annual Other Postemployment Benefits Cost (AOPEBC) | |
| 6/30/08 | \$ 1,775,991 |
| 6/30/09 | \$ 1,839,728 |
| % of AOPEBC Contributed | |
| 6/30/08 | 30.29% |
| 6/30/09 | 32.81% |
| Net Other Postemployment Benefits Obligation | |
| 6/30/08 | \$ 1,238,131 |
| 6/30/09 | \$ 2,474,254 |

Funded Status. The funded status and funding progress of the State's OPEB is presented in Table 17-4.

| Table 17-4 (amounts expressed in thousands) | | | | | | | |
|---|---------------------------|---|-----------------------------|--------------------|-----------------|---|--|
| | (a) | (b) | (c) | (d) | (e) | (f) | |
| Actuarial Valuation Date | Actuarial Value of Assets | Actuarial Accrued Liability ("AAL") Projected Unit Credit | Unfunded AAL ("UAAL") (b-a) | Funded Ratio (a/b) | Covered Payroll | UAAL as a Percentage of Covered Payroll (c/e) | |
| 6/30/2009 | \$ - | \$ 27,124,061 | \$ 27,124,061 | 0.0% | \$ 7,091,656 | 382.5% | |

Actuarial Methods and Assumptions. Actuarial valuations of an ongoing plan involve estimates and calculations on the value of reported amounts and assumptions about the probability of occurrence of events on a long-term perspective. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual

revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress of the State's OPEB plan, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the types of benefits provided and the cost sharing between the employer and plan members at the time of each valuation and do not include the potential effects of legal or contractual funding limitations. Information about actuarial methods and assumptions used in the actuarial valuation of the plan is presented in Table 17-5.

| | |
|--|---|
| Table 17-5 | |
| Actuarial valuation date of the actuarial required contribution | 6/30/2009 |
| Actuarial valuation date of the unfunded actuarial accrued liability | 6/30/2009 |
| Actuarial cost method | Proj. Unit Credit |
| Amortization method | Level % of pay |
| Remaining amortization period | 30 years. Open |
| Asset valuation method | Fair value |
| Actuarial assumptions: | |
| Investment rate of return * | 4.5% |
| Projected salary increases * | 4.5% |
| Inflation rate | 3.5% |
| Healthcare cost trend rate: | |
| Medical | 9.0% grading down .5% per year over 8 years to 5.0% |
| Dental | 8.0% grading down .5% per year over 6 years to 5.0% |
| Vision | 6% for next year with 3% for subsequent years |
| * Includes inflation rate listed | |

Plans Administered for Other Governments. The State also administers cost-sharing OPEB plans for teachers at school districts in Illinois (excluding Chicago) and for teachers at community colleges in Illinois. Financial statements for these plans may be obtained from the Department of Healthcare and Family Services ("Department"), 201 South Grand Avenue East, Springfield, Illinois 62763. The State Group Insurance Act of 1971 ("Act"), as amended, establishes the benefits provided to retirees; the rates of contribution for active employees, employers, and the State; and the process, if any, to amend rates of contribution for both plans with a funding policy of pay-as-you-go. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to each plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

The Teacher Health Insurance Security Fund was established to provide health insurance for retirees of school districts in Illinois (excluding Chicago) who are annuitants or dependent beneficiaries of the Teachers' Retirement System ("TRS"). As of June 30, 2009, there were 1,007 school districts participating with 65,543 retirees and dependent beneficiaries receiving benefits. The Department works in conjunction with the Department of Central Management Services ("CMS") and TRS to administer this cost-sharing multiple-employer defined benefit OPEB plan. The Act requires every active contributor of TRS and for every employer to make contributions to the plan at rates not to exceed 105% of the previous year. For fiscal year 2009, contributors to TRS contributed .84% of salary and employers contributed .63% of wages. The

Act also requires the State to contribute the amount of remaining funds estimated necessary to fund current expenditures as certified by the Director of the Department. At the time of the most recent amendments to the Act, this amount was expected to be approximately .84% of contributors' wages. The Director of the Department can amend the contribution rates of employers and employees annually subject to a limitation of 5% pursuant to the Act. The amount of the State's required contribution was \$75.474, \$68.596, and \$62.839 million for fiscal years 2009, 2008, and 2007 respectively. The State contributed the entire contribution in each year and contributed an additional \$13.000 million in fiscal year 2007.

The Community College Health Insurance Security Fund was established to provide health, vision, and dental insurance for Illinois community college retirees and dependent beneficiaries. As of June 30, 2009, there were 38 community college districts (all of the State's districts except the City Colleges of Chicago District) and 1 community college association participating with 5,539 retirees and dependent beneficiaries receiving benefits. The Department works in conjunction with the Department of CMS and the State Universities Retirement System ("SURS") to administer this cost-sharing multiple-employer defined benefit OPEB plan. The Act requires every active contributor of SURS who is a full-time employee of a community college district or an association of community college boards to make contributions to the plan at the rate of .5% of wages and every community college district or association of community college boards to contribute to the plan an amount equal to .5% of the wages paid to its full-time employees who are required to contribute to the plan. The State Pension Funds Continuing Appropriation Act (40 ILCS 15/1.4) requires the State to make an annual appropriation to the fund to cover any expected expenditures in excess of the contributions by active employees and employers in an amount certified by the SURS Board of Trustees. The amount of the State's required contribution and the amount contributed was \$3.916, \$4.740, and \$3.707 million for fiscal years 2009, 2008, and 2007, respectively.

18 FUND DEFICITS

Primary Government - Governmental Activities

Major Governmental Funds

The State's General Fund, from which a significant portion of day to day operating expenditures are paid, has a GAAP deficit aggregating \$7.682 billion at June 30, 2009. This deficit results from spending in excess of revenues recognized.

Nonmajor Governmental Funds

The Early Intervention Services Revolving Fund of the Department of Human Services; the Drivers Education Fund of the State Board of Education; the Build Illinois Bond Fund of the Department of Commerce and Economic Opportunity; the Transportation Bond Series A and Transportation Bond Series B Funds of the Department of Transportation; and the Capital Development Fund of the Capital Development Board have deficits at June 30, 2009, aggregating \$2.238 million, \$16.654 million, \$4.020 million, \$2.661 million, \$2.557 million, and \$5.110 million, respectively, resulting from spending in excess of revenues recognized.

The Low Income Home Energy Assistance Block Grant Fund and the Job Training Partnership Fund of the Department of Commerce and Economic Opportunity; the State and Local Sales Tax Reform Fund, the County and Mass Transit District Fund, the Local Government Tax Fund, and

the Personal Property Tax Replacement Fund of the Department of Revenue; the Federal/Local Airport Fund of the Department of Transportation; the Public Health Services Fund of the Department of Public Health; and the Criminal Justice Trust Fund of the Criminal Justice Information Authority have deficits at June 30, 2009, aggregating \$80 thousand, \$8.669 million, \$1.028 million, \$1.051 million, \$4.377 million, \$121.812 million, \$15.324 million, \$282 thousand, and \$21 thousand, respectively, resulting from the recognition of fund liabilities in excess of accrued revenues on the modified accrual basis.

19 RISK MANAGEMENT

Primary Government

The State is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; workers compensation and natural disasters. The State retains the risk of loss (i.e. self insured) for these risks except minimal commercial insurance. There were no significant reductions in insurance coverage from the prior fiscal year. The amount of settlements has not exceeded insurance coverage in the past three fiscal years. In addition, the State is exposed to various risks of loss related to employee health and dental insurance programs as described below.

Liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claims liabilities are based upon the estimated ultimate cost of settling the claims including specific, incremental claim adjustment expenses, salvage, and subrogation and considering the effects of inflation and recent claim settlement trends including frequency and amount of payouts and other economic and social factors. Nonincremental claims adjustment expenses have not been included as part of the liability.

The State's risk financing of auto liability has been determined using an estimate of claims outstanding. Matured claims have been recorded as a liability in the General Fund and in the Road Fund in the amounts of \$103 thousand and \$506 thousand, respectively. The remaining portion of the liability is included in the government-wide financial statements and is expected to be paid from future resources of the General Fund and Road Fund in the amount of \$1.766 million and \$12.025 million, respectively.

The workers compensation liability has been determined using claims outstanding and a projection of claims to be submitted, based upon prior years experience of the State. Matured claims have been recorded as a liability in the Workers' Compensation Revolving Fund and the Health Insurance Reserve Fund, internal service funds, in the amounts of \$397.935 million and \$4.992 million, respectively. Payments to the Workers' Compensation Revolving Fund are based on estimates of amounts needed to pay current year claims and are made from the applicable fund that would have paid the salaries and wages of the related employees.

The State uses the Health Insurance Reserve Fund to account for employee health and dental insurance benefit programs, which are partially self-funded. Employees may obtain health care services through participation in the State's group health insurance plan or through membership in one of eight health maintenance organization plans under contract with the State. The State maintains the risk of insurance for employees who participate in the State's group health insurance plan. Expenses and liabilities for claims, which include incurred but not reported or not processed benefit claims, have been recorded as liabilities in the amount of \$283.089 million.

Payments to the Health Insurance Reserve Fund are based on estimates of amounts needed to pay prior year unprocessed and current year claims and are made from the applicable fund that paid the salaries and wages of the related employee.

The following is a reconciliation of the State's claims liabilities for the year ended June 30, 2009:

| Table 19-1 (amounts expressed in thousands) | | | | |
|---|--------------------------------------|---|---------------------|-------------------|
| Year Ended June 30 | Changes in Claims Liability Balances | | | |
| | Beginning Balance | Current Year Claims and Changes in Estimates | Claim Payments | Ending Balance |
| Primary Government-Governmental Activities: | | | | |
| 2008 | | | | |
| Auto Liability | \$ 9,308 | \$ 6,514 | \$ (3,616) | \$ 12,206 |
| Workers' Compensation | 307,562 | 169,277 | (122,343) | 354,496 |
| Health Insurance | 112,116 | 545,252 | (500,454) | 156,914 |
| Total | <u>\$428,986</u> | <u>\$ 721,043</u> | <u>\$ (626,413)</u> | <u>\$ 523,616</u> |
| 2009 | | | | |
| Auto Liability | \$ 12,206 | \$ 5,344 | \$ (3,150) | \$ 14,400 |
| Workers' Compensation | 354,496 | 146,405 | (97,974) | 402,927 |
| Health Insurance | 156,914 | 633,120 | (506,945) | 283,089 |
| Total | <u>\$523,616</u> | <u>\$ 784,869</u> | <u>\$ (608,069)</u> | <u>\$ 700,416</u> |
| Component Units, (Information for the Toll Highway Authority is as of December 31): | | | | |
| 2008 | | | | |
| Toll Highway Authority | \$ 8,618 | \$ 6,765 | \$ (4,694) | \$ 10,689 |
| Southern Illinois University | 12,699 | 10,460 | (7,471) | 15,688 |
| University of Illinois | 156,178 | 65,165 | (44,175) | 177,168 |
| | <u>\$177,495</u> | <u>\$ 82,390</u> | <u>\$ (56,340)</u> | <u>\$ 203,545</u> |
| 2009 | | | | |
| Toll Highway Authority | \$ 10,689 | \$ 5,439 | \$ (5,250) | \$ 10,878 |
| Southern Illinois University | 15,688 | 11,610 | (9,570) | 17,728 |
| University of Illinois | 177,168 | 77,348 | (72,689) | 181,827 |
| | <u>\$203,545</u> | <u>\$ 94,397</u> | <u>\$ (87,509)</u> | <u>\$ 210,433</u> |

The State administers a public entity risk pool offering health insurance to local governments in the Local Government Health Insurance Reserve Fund, a nonmajor enterprise fund. The financial statements of the fund can be obtained from the Department of Healthcare and Family Services, 201 South Grand Avenue, Springfield, Illinois, 62763.

Component Units

The Toll Highway Authority, a major component unit, records an accrued self-insurance liability which covers workers' compensation liability and auto liability. The Authority's accrued self-insurance liability was \$10.878 million at December 31, 2008.

Southern Illinois University, a major component unit, records an accrued self-insurance liability which covers general and professional liability and limited student health care liability in excess of costs not covered by other primary provider plans. The University's accrued self-insurance liability was \$17.728 million at June 30, 2009.

The University of Illinois, a major component unit, records an accrued self-insurance liability which covers hospital patient liability, hospital and medical professional liability, estimated general and contract liability, and workers' compensation liability related to employees paid by the University. The University's accrued self-insurance liability was \$181.827 million at June 30, 2009.

Illinois State University, Northern Illinois University, Southern Illinois University, and the University of Illinois have contracted with commercial carriers to provide excess insurance coverage. These coverages have been considered in determining the accrued self-insurance

liability, where applicable. There were no settlements which exceeded insurance coverage during the last three years.

The nonmajor component unit universities carry excess general liability coverage. The deductible portion of this coverage is covered by the State University Risk Management Association, a self-insurance pool.

20 COMMITMENTS AND CONTINGENCIES

A. Construction Commitments

The Department of Transportation has outstanding construction commitments for highway improvement programs of \$2.166 billion as of June 30, 2009 which will be financed through State reappropriations. Also, the Capital Development Board has outstanding construction commitments for building and building additions and improvements of \$181.122 million as of June 30, 2009, which will be financed through State reappropriations. The Illinois State Toll Highway Authority, reported on a December 31st year-end, has entered into commitments for road construction of \$999.600 million as of December 31, 2008. The University of Illinois has outstanding construction commitments for various building and building improvement projects of \$90.427 million as of June 30, 2009.

B. Operating Leases

The State has entered into various operating leases for land, office facilities, office and computer equipment, and other assets. Although lease terms vary, certain leases are renewable subject to appropriation by the General Assembly. If renewal is reasonably assured, leases requiring appropriation by the General Assembly are considered noncancelable leases for financial reporting purposes. Any operating leases with scheduled rent increases are considered immaterial to the future minimum lease payments and current rental expenditures.

Future minimum commitments for non-cancelable operating leases as of June 30, 2009 are as follows:

| Operating Leases | | | | | | |
|---------------------------------|-----------------------|-------------------------------------|------------------------------|---------------------------------|------------------------------------|------------------------------|
| Year Ending June 30 | Primary Government | Major Component Units | | | | |
| | | Housing Development Authority | Toll Highway Authority | Illinois State University | Northern Illinois University | University of Illinois |
| 2010 | \$ 95,455 | \$ 843 | \$ 238 | \$ 1,074 | \$ 1,241 | \$ 9,263 |
| 2011 | 84,617 | 869 | -- | 731 | 1,001 | 7,009 |
| 2012 | 65,280 | 895 | -- | 682 | 846 | 5,287 |
| 2013 | 47,330 | 922 | -- | 655 | 838 | 4,137 |
| 2014 | 31,036 | 948 | -- | 608 | 751 | 3,545 |
| 2015-2019 | 64,185 | 1,976 | -- | 2,160 | 2,796 | 9,011 |
| 2020-2024 | -- | -- | -- | -- | -- | 78 |
| 2025-2029 | -- | -- | -- | -- | -- | 23 |
| Total minimum lease payments | <u>\$ 387,903</u> | <u>\$ 6,453</u> | <u>\$ 238</u> | <u>\$ 5,910</u> | <u>\$ 7,473</u> | <u>\$ 38,353</u> |

Rental payments for operating leases charged to operations during the year ended June 30, 2009, aggregated \$317.805 million for the governmental and business-type activities and \$640 thousand

for fiduciary funds. Illinois Housing Development Authority, Toll Highway Authority, Illinois State University, Northern Illinois University, Southern Illinois University, and the University of Illinois (major component units) had rental payments charged to operations during the year ended June 30, 2009 of \$1.619 million, \$233 thousand, \$995 thousand, \$1.427 million, \$16.074 million, and \$11.585 million, respectively.

C. Tax Litigation

At June 30, 2009, the State of Illinois has \$438.266 million in payments received related to protested tax cases which have not been adjudicated. In addition, the State defends many lawsuits challenging reasons for denial of tax refunds in relation to tax payments already received. The ultimate disposition of these protested tax payments received and claims for tax refunds is not determinable at this time.

D. Federal Funding

The State receives federal grants which are subject to review and audit by federal grantor agencies. Certain costs could be questioned as not being an eligible expenditure under the terms of the grants. At June 30, 2009, there were no material questioned costs that have not been resolved with the federal awarding agencies. However, questioned costs could still be identified during audits to be conducted in the future. Management of the State believes there will be no material adjustments to the federal grants and, accordingly, has not recorded a provision for possible repayment.

E. Tobacco Settlement

A Master Settlement Agreement (“MSA”) was executed in November of 1998 between five tobacco companies and 46 states, including the State of Illinois. The MSA called for, among other things, the payment of more than \$200 billion allocated to the states in installments payable until the year 2025 with additional payments continuing thereafter in perpetuity. The payments are subject to various adjustments such as those for volume shipped, inflation, and the success of litigation by other governmental units and could amount to less than the expected amounts. Various aspects of the MSA have been challenged in court both locally and nationally. The State has received approximately \$3 billion in payments from the MSA through June 30, 2009. The State’s share was originally expected to be \$9.119 billion through 2025 before adjustments. However, the State’s cumulative adjusted payments have been 13.75% less than the original estimate. Because of the novelty of the MSA, the many related claims against various aspects of the MSA, and the uncertainty inherent in the calculation of payments under the MSA, it is not possible to accurately predict the amount of money that will actually be received by the State with reasonable certainty.

F. Legal Proceedings

A suit filed by the Chicago Urban League (Chicago Urban League v. Illinois State Board of Education) alleges the State’s system of funding public schools violates the Illinois Civil Rights Act of 2003 and various clauses of the Illinois Constitution. The Circuit Court has dismissed all claims in the suit except a claim in relation to the Illinois Civil Rights Act of 2003. The case is in the pre-trial discovery stage.

A class action suit has been filed against the State (Munguia v. State of Illinois) which alleges that the State’s system of funding and implementing public transportation is discriminatory. No rulings have been made on the State’s motion to dismiss.

The State, its units and employees are also party to numerous other legal proceedings, many of which normally recur, in governmental operations. In addition, the State and its units are involved in certain other legal proceedings, which, if decided adversely to the State, may require the State to make material future expenditures for expanded services or capital facilities or may impair future revenue sources. It is neither possible to determine the outcome of these proceedings nor to estimate the possible effects adverse decisions may have on future expenditures or revenue sources.

G. Illinois Housing Development Authority Bonds (“IHDA”)

The IHDA, a component unit of the State, has a portion of its revenue bonds that are moral obligations of the State. In the event that the IHDA determines that funds will not be sufficient for the payment of principal and interest on these bonds, the Chairman of the IHDA shall certify to the Governor as soon as practicable the amount required by the IHDA to enable it to pay such principal and interest. The Governor shall include the amount so certified in the State budget; however, the General Assembly has no obligation to appropriate funds to the IHDA. As of June 30, 2009, the outstanding balance of bonds, which the State is morally obligated to repay is \$310 thousand.

H. Metropolitan Pier and Exposition Authority (“The Authority”)

The Authority, not a part of the State of Illinois reporting entity, is authorized by the Metropolitan Pier and Exposition Authority Act to issue bonds in the principal amount of \$312.5 million, excluding refunding bonds issued after January 1, 1986. These bonds were issued (1) to pay construction costs of completing the McCormick Place expansion, (2) to pay the construction costs of projects authorized by the Illinois General Assembly in the future, (3) to refund any outstanding bonds of the McCormick Place that were issued prior to July 1, 1984, and (4) to provide for the acquisition and improvement of Navy Pier in Chicago. In order to provide funding for the debt service requirements on these bonds, the Illinois General Assembly amended tax laws to provide for 1.75% of total State sales tax revenues, 3% of 94% of total hotel room rental receipts, and \$1.7 million per year out of 7% of State racing tax revenues to be deposited into the Build Illinois Fund, a nonmajor governmental fund. Within the Build Illinois Fund are credits to separate accounts, of which one is the “McCormick Place Account” and has first priority credit of the amounts collected.

The bonds are special obligations of the Authority and are payable from and secured by a pledge of revenues derived from dedicated state taxes, discussed above, imposed and collected by the State of Illinois. For State fiscal years in which these bonds are outstanding, the State shall transfer from the McCormick Place Account in the Build Illinois Fund to the Metropolitan Fair and Exposition Authority Improvement Bond Fund, a nonmajor governmental fund, an amount equal to 150% of the Authority’s certified amount for that fiscal year divided by the number of months during that fiscal year in which bonds of the Authority are outstanding. The maximum amount in any fiscal year shall not exceed \$33.5 million or a lesser sum as is actually necessary and required to pay the debt service requirements for that fiscal year after giving effect to net operating revenues of the Authority available for that purpose as certified by the Authority. During fiscal year 2009, debt service requirements were \$31.6 million. However, the amount paid to the Authority based on their annual certification was \$30.8 million, which is below the authorized amount of \$33.5 million.

The Authority is also authorized to issue an additional \$2.107 billion of bonds, excluding refunding bonds, to finance the McCormick Place expansion and certain other improvements to its facilities and Navy Pier. These bonds are special, limited obligations of the Authority and are payable from and secured by a pledge of revenues derived from Authority taxes and State sales tax deposits. For State fiscal years when these bonds are outstanding, monthly deposits of Authority taxes to the McCormick Place Expansion Project Fund, an agency fund, are required to be made in an amount equal to 1/8 of the annual debt service as specified in the Authority's Annual Certification plus any prior months' deficiencies in transfers. To the extent that Authority taxes are not sufficient to satisfy the requirements of the Authority's Annual Certification, State sales taxes are deposited into the McCormick Place Expansion Project Fund. The maximum amount that can be deposited into the McCormick Place Expansion Project Fund from the State sales taxes shall not exceed \$132 million in fiscal year 2009, \$139 million in fiscal year 2010, \$146 million in fiscal year 2011, \$153 million in fiscal year 2012, \$161 million in fiscal year 2013, and graduating to \$275 million in fiscal year 2023 until fiscal year 2042. During fiscal year 2009, debt service requirements for these bonds were \$132.0 million. The amount paid to the Authority based on their annual certification was \$131.0 million. During fiscal year 2009, deposits from the Authority's taxes were not sufficient to pay for the debt service requirements; \$53.3 million in State sales tax was transferred for deposit into the McCormick Place Expansion Project Fund of which a net of \$18.8 million was not reimbursed by June 30, 2009.

I. Regional Transportation Authority ("RTA")

The RTA, not a part of the State of Illinois reporting entity, was authorized by the Regional Transportation Authority Act to issue bonds in the principal amount of \$100 million on or after January 1, 1990 with an additional \$100 million per year authorized to be issued on or after January 1st of each year until January 1, 1994, for a total authorization of \$500 million used for Strategic Capital Improvement Projects ("SCIP"). Effective July 1, 1999, Public Act 91-37 authorized the RTA to issue additional bonds in the principal amount of \$260 million on or after January 1, 2000 with an additional \$260 million per year authorized to be issued on or after January 1st of each year until January 1, 2004 for an additional authorization of \$1,300 million to be used for SCIP. Public Act 91-37 also authorized the issuance of refunding SCIP bonds. The proceeds of SCIP bonds were used to acquire, repair, or replace public transportation facilities in the metropolitan region as approved by the Governor.

The bonds are general obligations of the RTA to which the full faith and credit of the RTA is pledged. However, for State fiscal years in which the SCIP bonds are outstanding, the State's assistance shall be transferred monthly from the General Fund to the Public Transportation Fund, a nonmajor governmental fund, for payment in an amount equal to the lesser of monthly debt service on the SCIP bonds or one-twelfth of the amount of the State's assistance as provided in the authorization. The authorization currently provides for \$155 million each fiscal year. During fiscal year 2009, the State provided \$121.8 million to the RTA, which is below the authorized amount of \$155 million. Although the amount of the State's assistance is measured by the debt service on the SCIP bonds, the assistance is not pledged for payment of, or security for, the SCIP bonds. The State's assistance is paid directly to the Authority and may be spent by the Authority at its discretion.

J. Illinois Sports Facilities Authority ("ISFA")

The ISFA, not a part of the State of Illinois reporting entity, was authorized by the Illinois Sports Facilities Act to issue bonds and notes in the principal amount not to exceed 1) \$150 million in connection with facilities owned by the ISFA, 2) \$399 million in connection with facilities owned

by a governmental owner other than the ISFA, and 3) to refund, advance refund or refinance any of its bonds then outstanding.

The bonds are secured by payments from the Illinois Sports Facilities Fund, a nonmajor governmental fund, from collections of 1) the State's Hotel Operator's Occupation Tax in an amount equal to the applicable advance amount plus \$5 million and 2) the City of Chicago's share of the Local Government Distributive Fund, a nonmajor governmental fund, in the amount of \$5 million. This advance amount is required to be repaid by the ISFA from collections of the ISFA's Hotel Tax to the State's General Fund by the end of the fiscal year. In the event of a deficiency in the Hotel Tax, amounts otherwise payable to the City of Chicago from the Local Government Distributive Fund should be used for the repayment.

Annually, the ISFA is required to certify to the State Comptroller and the State Treasurer their requirements for the next fiscal year. This certification shall be the lesser of 1) the advance amount plus \$10 million and 2) the amount to pay principal and interest and other payments relating to its obligations issued or to be issued during the fiscal year plus the amount anticipated to pay obligations under provisions of any management agreement with respect to facilities owned by the ISFA or any assistance agreement with respect to any facility for which financial assistance is provided under the Act plus an amount to pay other capital or operating expenses of the ISFA. Pursuant to the certification, the maximum advance amount for fiscal year 2009 was \$32.515 million plus \$10 million for a total of \$42.515 million.

The ISFA's annual certification for fiscal year 2009 was in the amount of \$39.5 million, which is below the maximum amount authorized. Payments related to the annual certification, which are subject to appropriation by the General Assembly, were paid to the ISFA. The ISFA repaid the advance amount by the end of the fiscal year.

In future years, the advance amount increases by 105.615% of the preceding advance amount through fiscal year 2032. Including the additional \$10 million, the maximum which could be certified each year is \$44.341 million in fiscal year 2010, \$46.270 million in fiscal year 2011, \$48.307 million in fiscal year 2012, \$50.458 million in fiscal year 2013 and graduating to \$124.252 million in fiscal year 2032. Of these amounts, only \$5 million per year is the State's share.

K. Southwestern Illinois Development Authority ("SWIDA") Revenue Bonds

The SWIDA, a nonmajor component unit of the State, has issued revenue bonds. The proceeds of these bonds were loaned to several companies for the acquisition of land and construction of various types of facilities. These companies are primarily liable for repayment of the bonds, which are secured by SWIDA loan agreements with the companies. These bonds bear interest at rates ranging from 4.55% to 9.25% and mature annually through 2025. The State has accepted a moral obligation to repay the bonds in the event the SWIDA and the companies are unable to meet the bonds' repayment commitments. As of June 30, 2009 the outstanding balance of bonds, which the State is morally obligated to repay, is \$37.1 million.

L. Upper Illinois River Valley Development Authority ("UIRVDA") Revenue Bonds

The UIRVDA, which is a component unit of the State, has issued revenue bonds. The proceeds of which were loaned to various companies to provide permanent financing for the acquisition and construction of various types of facilities. These companies are primarily liable for repayment of the bonds, which are secured by an assignment and a pledge of revenues derived

from a separate loan agreement between the UIRVDA and these companies. These bonds mature annually through 2030 and bear interest in varying rates between 5.90% and 8.85%. The State has accepted a moral obligation to repay the bonds in the event the UIRVDA and the companies are unable to meet the bonds' repayment commitments. At June 30, 2009 the outstanding balance, which the State is morally obligated to repay, is \$21.5 million.

M. Illinois Housing Development Authority Loans

The Illinois Housing Development Authority has entered into commitments aggregating \$48.8 million for the purchase of various home loans as of June 30, 2009.

N. Illinois Finance Authority ("IFA") Revenue Bonds

The IFA, a nonmajor component unit of the State, has a portion of its revenue bonds that are moral obligations of the State. A portion of these bonds were issued on behalf of the Illinois Medical District Commission ("Commission"), a nonmajor component unit of the State, of which the proceeds were used to finance the costs of the acquisition, construction, renovation, reconstruction, installation, and equipping of certain facilities in the City of Chicago. These bonds bear interest rates ranging from 4.125% to 5.33% and mature on various dates through 2031. The State has accepted a moral obligation to repay the bonds in the event the Commission is unable to meet the bonds' repayment commitments. As of June 30, 2009 the outstanding balance of these bonds, which the State is morally obligated to repay, is \$40 million.

In addition, the IFA has issued revenue bonds on-behalf of municipalities as authorized by the Illinois Financially Distressed City Law (65 ILCS 5/8-12-1 et seq.) to assist the City of East St. Louis with its debt restructuring. These bonds bear interest at rates ranging from 2.75% to 5% and mature annually through 2013. The State has accepted a moral obligation to repay the bonds in the event the City of East St. Louis is unable to meet the bonds' repayment commitments. As of June 30, 2009 the outstanding balance of these bonds, which the State is morally obligated to repay, is \$8.6 million.

21 SEGMENT INFORMATION

Major Component Units

Segments are identifiable activities reported as or within a component unit for which bonds or other debt is outstanding and a revenue stream has been pledged in support of that debt. In addition, to qualify as a segment, an activity must be subject to an external requirement to separately account for the revenues, expenses, gains and losses, assets, and liabilities of the activity. All of the activities reported in the condensed financial information meet these requirements. The following paragraphs describe the various component units' segments.

Southern Illinois University ("SIU")

SIU has issued revenue bonds with the net revenues from two segments pledged to pay the bond interest and principal. The Housing and Auxiliary Facilities System segment is comprised of university owned housing units, student centers, recreation and athletic facilities, and similar auxiliary enterprise units. The Medical Facilities System segment is comprised of clinical facilities used to provide patient care at the School of Medicine in Springfield.

University of Illinois ("U of I")

U of I has issued revenue bonds with the net revenues from two segments pledged to pay the bond interest and principal. The Auxiliary Facilities System segment is comprised of university owned housing units, student unions, recreation and athletic facilities and similar auxiliary service units, including parking. The Health Services Facilities System segment is comprised of the U of I Hospital and associated clinical facilities providing patient care.

The following are the condensed financial statements at June 30, 2009 for the segments described above:

| Major Component Units | Southern Illinois University | | University of Illinois | |
|---|---|---------------------------|-----------------------------|-----------------------------------|
| | Housing and Auxiliary Facilities System | Medical Facilities System | Auxiliary Facilities System | Health Services Facilities System |
| Condensed Statement of Net Assets: | | | | |
| Assets | | | | |
| Current assets | \$ 113,680 | \$ 8,497 | \$ 174,743 | \$ 179,673 |
| Noncurrent assets: | | | | |
| Capital assets, net of accumulated depreciation | 206,321 | 35,351 | 941,071 | 159,059 |
| Other noncurrent assets | 8,140 | 390 | 20,803 | 6,316 |
| Total assets | 328,141 | 44,238 | 1,136,617 | 345,048 |
| Liabilities | | | | |
| Current liabilities | 30,069 | 2,047 | 82,000 | 81,473 |
| Noncurrent liabilities | 277,571 | 20,033 | 949,460 | 92,094 |
| Total liabilities | 307,640 | 22,080 | 1,031,460 | 173,567 |
| Net Assets (Deficit) | | | | |
| Invested in capital assets, net of related debt | (28,925) | 16,833 | 2,855 | 91,206 |
| Restricted-other expendable purposes | 35,035 | 1,072 | 22,341 | 2,488 |
| Unrestricted | 14,391 | 4,253 | 79,961 | 77,787 |
| Total net assets (deficit) | \$ 20,501 | \$ 22,158 | \$ 105,157 | \$ 171,481 |
| Condensed Statement of Revenues, Expenses and Changes in Net Assets: | | | | |
| Operating revenues | \$ 96,548 | \$ 39,403 | \$ 289,998 | \$ 521,462 |
| Operating expenses | (83,471) | (48,116) | (245,852) | (578,579) |
| Depreciation expense | (9,513) | (658) | (24,845) | (21,087) |
| Operating income (loss) | 3,564 | (9,371) | 19,301 | (78,204) |
| Nonoperating revenues (expenses) | 3,396 | 9,425 | (22,029) | 85,905 |
| Other revenues | 1,260 | 372 | -- | -- |
| Increase (decrease) in net assets | 8,220 | 426 | (2,728) | 7,701 |
| Net assets (deficit), July 1, 2008 | 12,281 | 21,732 | 107,885 | 163,780 |
| Net assets (deficit), June 30, 2009 | \$ 20,501 | \$ 22,158 | \$ 105,157 | \$ 171,481 |
| Condensed Statement of Cash Flows: | | | | |
| Net cash flows provided (used) by operating activities | \$ 22,953 | \$ (979) | \$ 63,103 | \$ 20,396 |
| Net cash flows provided (used) by noncapital financing activities | 3,017 | -- | (88) | 98 |
| Net cash flows provided (used) by capital and related financing activities | 4,358 | (2,117) | (141,490) | (65,391) |
| Net cash flows provided (used) by investing activities | (24,977) | 82 | 22,055 | (1,178) |
| Net increase (decrease) in cash and cash equivalents | 5,351 | (3,014) | (56,420) | (46,075) |
| Cash and cash equivalents, July 1, 2008 | 44,350 | 7,189 | 204,959 | 132,202 |
| Cash and cash equivalents, June 30, 2009 | \$ 49,701 | \$ 4,175 | \$ 148,539 | \$ 86,127 |

22 SPECIAL ITEM

On December 16, 2008, the Designated Account Purchase Program ("IDAPP") entered into an agreement with Guaranty Bank to settle a difference regarding the loan purchase agreement between the two parties. As part of the loan purchase agreement, Guaranty Bank was holding approximately \$4.700 million in deposited funds. The settlement agreement stipulated that Guaranty Bank would disburse \$2 million to IDAPP.

23 SUBSEQUENT EVENTS

A. Debt issues

Subsequent to June 30, 2009, the State of Illinois' primary government and its major component units have issued the following debt instruments:

Table 23-1 (amounts expressed in millions)

| Series | Date of Issue | Amount of Issue | Interest Rates | Annual Maturity To |
|--|---------------|-----------------|------------------|--------------------|
| Primary Government: | | | | |
| Governmental Activities: | | | | |
| General obligation certificates: | | | | |
| August, Series 2009 | 8/27/2009 | \$ 1,250.0 | 2.0% | 2010 |
| General obligation bonds: | | | | |
| September, Series 2009-A | 9/23/2009 | \$ 400.0 | 3.5% to 5.0% | 2034 |
| January, Taxable Series 2010 | 1/15/2010 | \$ 3,466.0 | 1.823% to 4.421% | 2015 |
| Taxable Build America Bonds, Series 2010-1 | 2/4/2010 | \$ 1,000.0 | 1.395% to 6.630% | 2035 |
| February, Refunding Series 2010 | 3/3/2010 | \$ 1,501.3 | 2.0% to 5.0% | 2025 |
| April, Series 2010 | 4/12/2010 | \$ 246.1 | 2.50% | 2011 |
| Taxable Build America Bonds, Series 2010-2 | 4/26/2010 | \$ 300.0 | 1.45% to 6.90% | 2035 |
| March, Taxable Series 2010 | 4/26/2010 | \$ 56.0 | 1.45% to 6.90% | 2035 |
| Taxable Build America Bonds, Series 2010-3 | 4/26/2010 | \$ 700.0 | 1.578% to 6.725% | 2035 |
| Special obligation bonds: | | | | |
| December, Series 2009-A | 12/23/2009 | \$ 154.9 | 3.5% to 5.0% | 2034 |
| December, Series 2009-B | 12/23/2009 | \$ 375.0 | 2.50% to 5.25% | 2034 |
| June, Junior Refunding Series 2010 | 6/25/2010 | \$ 455.1 | 3.0% to 5.0% | 2021 |
| Major Component Units: | | | | |
| Revenue bonds: | | | | |
| Illinois Housing Development Authority | | | | |
| Multi-Family Initiative Bonds | | | | |
| Series 2009A | 12/30/2009 | \$ 184.1 | Variable | 2051 |
| Homeowner Mortgage Revenue Bonds | | | | |
| Series 2009B | 12/30/2009 | \$ 200.0 | Variable | 2041 |
| Multi-Family Housing Revenue Bonds | | | | |
| Series 2010 (Willow Heights Apartments) | 2/25/2010 | \$ 2.6 | Variable | 2042 |
| Illinois State Toll Highway Authority* | | | | |
| Series 2009 A (Toll Highway Senior Priority-Build America Bonds -- Direct Payment) | 5/21/2009 | \$ 500.0 | 5.293% to 6.184% | 2034 |
| Series 2009 B (Toll Highway Senior Priority-Build America Bonds -- Direct Payment) | 12/8/2009 | \$ 280.0 | 5.851% | 2034 |

* Illinois State Toll Highway Authority fiscal year-end is 12/31/08

B. Retirement System Benefit Changes

On April 14, 2010, the Governor signed into law P.A. 96-0889 which amended the pension benefits to be provided to new members to the State's retirement systems after December 31, 2010. Major provisions of the law increased the retirement age and years of service required for unreduced retirement benefits from age sixty with eight years of service to age sixty-seven with ten years of service, changed postretirement benefit increases from 3% to the lesser of 3% or one-half of the consumer price index, changed the calculation of the compensation used for calculation of benefits from the average of the highest amount in 48 months of consecutive service within the last 120 months of service to the average of the highest amount in 96 months of consecutive service within the last 120 months of service, set a limit on the compensation used for calculation of benefits to the social security wage base, and eliminated the ability to receive pension benefits from one retirement system while working full-time within another retirement system.

C. Unemployment Compensation Trust Fund Advances

In July of 2009, the State began receiving repayable advances in the Unemployment Compensation Trust Fund from the federal government. The Unemployment Compensation Trust Fund, from which funds are drawn to pay unemployment benefits to claimants, was depleted due to the increased level of unemployment benefit payments required from the extended high unemployment rates during the course of the current recession without a corresponding increase in unemployment tax revenues. At June 30, 2010, the State had \$2.240 billion in outstanding repayable advances. The advances are interest free through the end of calendar year 2010. Absent a robust economic recovery and/or legislative changes, the Department of Employment Security projects that there will be a deficit in the Unemployment Compensation Trust Fund through the at least 2012.

24 CONTRACTUAL VIOLATION

The Designated Account Purchase Program ("IDAPP") was not in compliance with a debt covenant relating to a revolving credit agreement and with a debt covenant relating to a loan agreement. As a result of the violations, the banks involved with the agreements had certain remedies available, including the right to call the loan and take possession of the portion of the student loan portfolio provided as collateral for the loan. The bank providing the revolving credit agreement has acknowledged the violation and sent a notice letter dated May 5, 2010 but has not exercised any remedies available. The bank which provided the loan agreement has granted IDAPP a deferment for exercising remedies in connection with the violation until July 31, 2010.

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Required Supplementary Information

State of Illinois

**Budgetary Comparison Schedule
Major Governmental Funds**

For the Year Ended June 30, 2009 (Expressed in Thousands)

| | General Funds | | | | Road Fund | | | |
|--|-----------------------|-----------------------|-----------------------|--------------------------|-----------------------|-------------------|-------------------|--------------------------|
| | Original Budget | Final Budget | Actual | Variance Over (Under) | Original Budget | Final Budget | Actual | Variance Over (Under) |
| REVENUES: | | | | | | | | |
| Income taxes | \$ 12,182,000 | \$ 12,182,000 | \$ 10,932,843 | \$ (1,249,157) | \$ - | \$ - | \$ - | \$ - |
| Sales taxes | 7,297,000 | 7,297,000 | 6,772,799 | (524,201) | - | - | - | - |
| Public utility taxes | 1,110,000 | 1,110,000 | 1,167,764 | 57,764 | - | - | - | - |
| Federal government | 5,029,000 | 5,029,000 | 6,495,655 | 1,466,655 | 1,211,013 | 1,211,013 | 1,283,192 | 72,179 |
| Other | 2,287,000 | 2,287,000 | 2,113,206 | (173,794) | 1,017,443 | 1,017,443 | 992,090 | (25,353) |
| Less: | | | | | | | | |
| Refunds | | 15,609 | 15,515 | (94) | | 2,333 | 2,287 | (46) |
| Total revenues | 27,905,000 | 27,889,391 | 27,466,752 | (422,639) | 2,228,456 | 2,226,123 | 2,272,995 | 46,872 |
| EXPENDITURES: | | | | | | | | |
| Current: | | | | | | | | |
| Health and social services | 14,030,577 | 15,597,275 | 15,399,280 | (197,995) | 142,997 | 142,997 | 142,997 | - |
| Education | 11,173,466 | 11,461,904 | 11,340,428 | (121,476) | 129,920 | 129,912 | 129,574 | (338) |
| General government | 737,770 | 754,641 | 710,927 | (43,714) | 1,900 | 1,900 | 1,900 | - |
| Employment and economic development | 135,069 | 140,315 | 126,464 | (13,851) | | | | - |
| Transportation | 32,016 | 32,036 | 25,486 | (6,550) | 4,533,027 | 1,914,749 | 1,851,857 | (62,892) |
| Public protection and justice | 2,084,063 | 2,125,001 | 2,050,915 | (74,086) | 114,678 | 114,678 | 114,677 | (1) |
| Environment and business regulation | 85,896 | 89,160 | 84,144 | (5,016) | | | | - |
| Capital outlays | 27,453 | 24,419 | 20,373 | (4,046) | 84,755 | 56,441 | 37,312 | (19,129) |
| Total expenditures | 28,306,310 | 30,224,751 | 29,758,017 | (466,734) | 5,007,277 | 2,360,677 | 2,278,317 | (82,360) |
| Excess (deficiency) of revenues over (under) expenditures | (401,310) | (2,335,360) | (2,291,265) | 44,095 | (2,778,821) | (134,554) | (5,322) | 129,232 |
| OTHER SOURCES (USES) OF FINANCIAL RESOURCES: | | | | | | | | |
| Proceeds from short-term borrowings | | 2,400,000 | 2,400,000 | - | - | - | - | - |
| Transfers-in | 6,151,663 | 6,151,663 | 6,151,663 | - | 342,028 | 317,323 | 317,323 | - |
| Transfers-out | (9,098,735) | (9,098,735) | (9,098,735) | - | (279,091) | (279,091) | (279,091) | - |
| Total other sources (uses) of financial resources | (2,947,072) | (547,072) | (547,072) | - | 62,937 | 38,232 | 38,232 | - |
| Budgetary funds-nonbudgeted accounts | - | - | - | - | - | - | - | - |
| Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources | (3,348,382) | (2,882,432) | (2,838,337) | 44,095 | (2,715,884) | (96,322) | 32,910 | 129,232 |
| Budgetary fund balances, July 1, 2008 | (834,491) | (834,491) | (834,491) | - | 323,368 | 323,368 | 323,368 | - |
| BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2009 | \$ (4,182,873) | \$ (3,716,923) | \$ (3,672,828) | \$ 44,095 | \$ (2,392,516) | \$ 227,046 | \$ 356,278 | \$ 129,232 |

| State Construction Account | | | | |
|----------------------------|-----------------|------------|--------------------------|---|
| Original Budget | Final Budget | Actual | Variance Over (Under) | |
| \$ - | \$ - | \$ - | \$ - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| 506,834 | 506,834 | 488,793 | (18,041) | |
| - | - | - | - | - |
| 506,834 | 506,834 | 488,793 | (18,041) | |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| 1,706,084 | 946,387 | 946,302 | (85) | |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| 1,706,084 | 946,387 | 946,302 | (85) | |
| (1,199,250) | (439,553) | (457,509) | (17,956) | |
| - | - | - | - | - |
| 237,000 | 215,317 | 215,317 | - | |
| (28) | (28) | (28) | - | |
| 236,972 | 215,289 | 215,289 | - | |
| - | - | - | - | - |
| (962,278) | (224,264) | (242,220) | (17,956) | |
| 414,366 | 414,366 | 414,366 | - | |
| \$ (547,912) | \$ 190,102 | \$ 172,146 | \$ (17,956) | |

**Notes to Budgetary Comparison Schedule – Budget and Actual
– Major Governmental Funds**

For the Year Ended June 30, 2009

A. Budgetary Basis of Accounting

The State Constitution requires the Governor to prepare and submit to the General Assembly an Executive Budget for the ensuing fiscal year. The budget covers most funds held by the State, but excludes all locally held funds and various treasury held funds which are not subject to appropriation pursuant to State law. The General Assembly enacts the budget through passage of specific line-item appropriations (i.e., personal services, contractual services, equipment, etc.), the sum of which must not exceed estimated revenues pursuant to the State Constitution. The Governor has the power to approve, reduce, or veto each appropriation passed by the General Assembly. Transfers-in and transfers-out contained in the Executive Budget are not a part of the General Assembly's appropriation process. The actual amounts are determined either by State law or by discretionary action available to the Governor. The Statewide Accounting Management System controls expenditures by line-item as established in approved appropriation bills and ensures that appropriated expenditure amounts are not exceeded.

The level of legal control is at the line-item appropriation level as reported in a publication titled *Illinois Detailed Annual Report of Revenues and Expenditures*. A separate document is necessary due to the State's large amount of appropriated line-items. Generally, administrative transfers between transferable appropriation line-items within the same treasury held fund cannot exceed 2% of the aggregate amount appropriated to those line-items for an agency from that fund. Examples of appropriation line-items with a 2% transfer limit are Contractual Services, Travel, Commodities, Printing, and Equipment. As an additional restriction, Personal Services appropriation line-items generally cannot be reduced. Legislative action is required for more substantial transfers. Unexpended appropriations at June 30 are available for subsequent expenditure to the extent that encumbrances have been incurred at June 30, provided the expenditure is presented for payment during the succeeding two month "lapse period." An exception to the lapse period requirements are expenditures described in Section 25 of the State Finance Act (30 ILCS 105/25). These Section 25 expenditures, mostly related to the reimbursement of hospitals, physicians, and pharmacists for Medicaid patients, are allowed to be paid in the following fiscal year. Certain appropriations referred to as "reappropriations" represent the continuation of a prior year's program that requires additional time for completion.

The original budgeted revenues represent estimates while original budgeted expenditures represent original and continuing appropriations enacted into law by appropriation bills. Generally accepted accounting principles (GAAP) require the final legal budget be reflected in the final budget column, therefore, updated revenue estimates have been reported. Final expenditure budgets represent original and continuing appropriations modified by supplemental and amendatory appropriations. The State's basis of budgeting is essentially on the cash basis, modified for expenditures during the lapse period (beginning and end of year) as described in the preceding paragraph.

The State Budget Law (15 ILCS 20) requires the budget for certain funds, called budgeted funds which include the General Revenue, Common School, and Educational Assistance subaccounts of the General Fund and the Road Fund, to be prepared:

“. . . on the basis of revenue and expenditure measurement concepts that are in concert with generally accepted accounting principles for governments . . .

. . . The revenue estimates used in the State budget for the budgeted funds shall include the estimated beginning fund balance, plus revenues estimated to be received during the budgeted year, plus the estimated receipts due the State as of June 30 of the budgeted year that are expected to be collected during the lapse period following the budgeted year, minus the receipts collected during the first 2 months of the budgeted year that became due to the State in the year before the budgeted year. Revenues shall also include estimated federal reimbursements associated with the recognition of Section 25 of the State Finance Act liabilities. For any budgeted fund for which current year revenues are anticipated to exceed expenditures, the surplus shall be considered to be a resource available for expenditure in the budgeted fiscal year.

Expenditure estimates for the budgeted funds included in the State budget shall include the costs to be incurred by the State for the budgeted year, to be paid in the next fiscal year, excluding costs paid in the budgeted year which were carried over from the prior year, where the payment is authorized by Section 25 of the State Finance Act. For any budgeted fund for which expenditures are expected to exceed revenues in the current fiscal year, the deficit shall be considered as a use of funds in the budgeted fiscal year.

Revenues and expenditures shall also include transfers between funds that are based on revenues received or costs incurred during the budget year.”

The State has not presented revenue and expenditure estimates in accordance with these provisions. Also, because of cash management decisions and prioritization required due to the lack of available cash in the State Treasury for the General Revenue Account, a subaccount of the General Fund, statutorily mandated transfers from the General Revenue Account to other funds were not made by the Office of the Comptroller within statutorily prescribed timelines. The timing of the payment of the transfers does not impact the amounts reported in the budgetary schedules.

The State’s General Fund has a perspective difference for financial reporting as the General Fund reported for financial reporting purposes includes amounts which are reported as a part of the State’s Special State Funds as classified for budgetary purposes.

The Budgetary Comparison Schedule – Major Governmental Funds presents the original legally adopted budget, as well as comparisons of the final legally adopted budget with actual data on a budgetary basis for the State’s major governmental funds: the General Fund, the Road Fund, and the State Construction Account.

The supplementary portion of this report includes a Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual for all funds of the State with annual budgets as classified for budgetary purposes. Those schedules only include the final appropriated budget.

B. Budgetary-GAAP Reporting Reconciliation

Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with GAAP, a

reconciliation of differences between budgetary and GAAP presentations for the year ended June 30, 2009 is presented below for the major governmental funds (amounts expressed in thousands):

| Table 1-1 (amounts expressed in thousands) | | | |
|--|---------------------------------|--------------------------|-----------------------------------|
| | MAJOR GOVERNMENTAL FUNDS | | |
| | General Fund | | |
| | General Fund | Road Fund | State Construction Account |
| Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources (budgetary basis) | \$ (2,838,337) | \$ 32,910 | \$ (242,220) |
| Reclassifications: | | | |
| Budgetary Special State Funds reported as part of the General Fund for GAAP reporting | 211,576 | - | - |
| Adjustments: | | | |
| To adjust revenues, related receivables and deferred revenue | (270,807) | 308,981 | 6,210 |
| To adjust expenditures and related liabilities | (726,704) | (66,740) | 5,767 |
| To adjust for lapse period expenditures which were not recorded as liabilities | (18,537) | (223) | - |
| Excess (deficiency) of revenues over (under) expenditures/expenses and other sources (uses) of financial resources into financial resources (GAAP basis) - budgetary classifications | (3,642,809) | 274,928 | (230,243) |
| To record excess (deficiency) of revenues over (under) expenditures/expenses and other sources (uses) of financial resources for nonbudgeted accounts | (57) | - | - |
| Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources (GAAP basis) | <u><u>\$ (3,642,866)</u></u> | <u><u>\$ 274,928</u></u> | <u><u>\$ (230,243)</u></u> |

Required Supplementary Information**Defined Benefit Pension Plans – Schedule of Funding Progress**
(Unaudited)

The following schedule of funding progress (dollar amounts in thousands) for the State of Illinois' retirement systems is provided for fiscal years ended June 30, 2009, 2008 and 2007.

| | (a) | (b) | (c) | (d) | (e) | (f) |
|--------------------------|---------------------------|---|-----------------------------|--------------------|-----------------|---|
| Actuarial Valuation Date | Actuarial Value of Assets | Actuarial Accrued Liability ("AAL") Projected Unit Credit | Unfunded AAL ("UAAL") (b-a) | Funded Ratio (a/b) | Covered Payroll | UAAL as a Percentage of Covered Payroll (c/e) |
| General Assembly | | | | | | |
| 6/30/2009 | \$ 71,574 | \$ 245,226 | \$ 173,652 | 29.2% | \$ 14,728 | 1179.1% |
| 6/30/2008 | \$ 75,406 | \$ 235,780 | \$ 160,374 | 32.0% | \$ 12,871 | 1246.0% |
| 6/30/2007 | \$ 87,182 | \$ 231,914 | \$ 144,732 | 37.6% | \$ 12,701 | 1139.5% |
| Judges' | | | | | | |
| 6/30/2009 | \$ 616,849 | \$ 1,548,509 | \$ 931,660 | 39.8% | \$ 155,645 | 598.6% |
| 6/30/2008 | \$ 612,681 | \$ 1,457,336 | \$ 844,655 | 42.0% | \$ 143,700 | 587.8% |
| 6/30/2007 | \$ 670,091 | \$ 1,385,340 | \$ 715,249 | 48.4% | \$ 142,900 | 500.5% |
| State Employees' | | | | | | |
| 6/30/2009 | \$ 10,999,954 | \$ 25,298,346 | \$ 14,298,392 | 43.5% | \$ 4,027,263 | 355.0% |
| 6/30/2008 | \$ 10,995,366 | \$ 23,841,280 | \$ 12,845,914 | 46.1% | \$ 3,967,704 | 323.8% |
| 6/30/2007 | \$ 12,078,909 | \$ 22,280,917 | \$ 10,202,008 | 54.2% | \$ 3,762,777 | 271.1% |
| Teachers' | | | | | | |
| 6/30/2009 | \$ 38,026,044 | \$ 73,027,198 | \$ 35,001,154 | 52.1% | \$ 8,945,021 | 391.3% |
| 6/30/2008 | \$ 38,430,723 | \$ 68,632,367 | \$ 30,201,644 | 56.0% | \$ 8,521,717 | 354.4% |
| 6/30/2007 | \$ 41,909,318 | \$ 65,648,395 | \$ 23,739,077 | 63.8% | \$ 8,149,849 | 291.3% |
| State Universities | | | | | | |
| 6/30/2009 | \$ 14,281,998 | \$ 26,316,231 | \$ 12,034,233 | 54.3% | \$ 3,463,922 | 347.4% |
| 6/30/2008 | \$ 14,586,325 | \$ 24,917,677 | \$ 10,331,352 | 58.5% | \$ 3,303,220 | 312.8% |
| 6/30/2007 | \$ 15,985,730 | \$ 23,362,079 | \$ 7,376,349 | 68.4% | \$ 3,180,985 | 231.9% |

For fiscal years prior to the year ended June 30, 2009, the State used fair value as the actuarial value of assets. For the fiscal year ended June 30, 2009, the State began using a valuation method that smoothes actuarial gains or losses in relation to expected investment return incurred in a fiscal year in order that the gains or losses are recognized in equal annual amounts over the five year period following the fiscal year. The fair value of assets for the five State of Illinois' retirement systems was \$15.454 billion lower than the actuarial value of assets at June 30, 2009.

Defined Benefit Other Postemployment Benefit Plans – Schedule of Funding Progress
(Unaudited)

The following schedule of funding progress (dollar amounts in thousands) for the State of Illinois' other postemployment retirement benefits (health, dental, vision, and life insurance) is provided for the two most recent actuarial valuations.

| | (a) | (b) | (c) | (d) | (e) | (f) |
|--------------------------------|---------------------------------|--|--------------------------------------|--------------------------|--------------------|--|
| Actuarial Valuation Date | Actuarial Value of Assets | Actuarial Accrued Liability ("AAL") Projected Unit Credit | Unfunded AAL ("UAAL") (b-a) | Funded Ratio (a/b) | Covered Payroll | UAAL as a Percentage of Covered Payroll (c/e) |
| 6/30/2009 | \$ - | \$ 27,124,061 | \$ 27,124,061 | 0.0% | \$ 7,091,656 | 382.5% |
| 6/30/2007 | \$ - | \$ 23,890,383 | \$ 23,890,383 | 0.0% | \$ 6,872,740 | 347.6% |

The State performs actuarial valuations for postemployment retirement benefits biennially.

GENERAL FUND

The General Fund is maintained to account for resources obtained and used for those services traditionally provided by State government which are not required to be accounted for in another fund.

SIGNIFICANT GENERAL FUND ACCOUNT DESCRIPTIONS

General Revenue Account--to account for resources obtained and used which are not required to be accounted for in another fund or account.

Education Assistance Account--to provide funding for elementary and secondary education programs and for higher education programs.

Common School Account--to provide funding for elementary and secondary education agencies including General State Aid, School District Consolidation Incentives and operational funding of Educational Services Regions.

University of Illinois Hospital Services Account--to provide medical services at the University of Illinois Hospital.

County Hospital Services Account--to provide for medical services at Cook County hospitals.

Long-Term Care Provider Account--to provide for medical services at long-term health care centers.

State of Illinois

Combining Schedule of Accounts

General Fund

June 30, 2009 (Expressed in Thousands)

| | General Revenue Account | Education Assistance Account | Common School Account | Medicaid Provider Assessment Program | Eliminations | Total |
|---|-------------------------------|------------------------------------|-----------------------------|---|---------------------|---------------------|
| ASSETS | | | | | | |
| Cash equity with State Treasurer | \$ 1,076,006 | \$ 74,144 | \$ 253,929 | \$ 96,020 | | \$ 1,500,099 |
| Cash and cash equivalents | 2,256 | | | | | 2,256 |
| Securities lending collateral of State Treasurer | 580,565 | | 3,409 | 8,414 | | 592,388 |
| Receivables, net | | | | | | |
| Taxes | 1,014,858 | 22,683 | 89,623 | 3,531 | | 1,130,695 |
| Intergovernmental | 1,466,152 | 228 | | 250,366 | | 1,716,746 |
| Other | 114,291 | | 16 | 91 | | 114,398 |
| Due from other funds | 48,337 | 13,394 | 98,690 | 25 | \$ (120,796) | 39,650 |
| Due from component units | 2,507 | | 6 | | | 2,513 |
| Inventories | 24,382 | | | | | 24,382 |
| Loans and notes receivable, net | 8,019 | | | | | 8,019 |
| Other assets | 15,000 | | | | | 15,000 |
| Total assets | \$ 4,352,373 | \$ 110,449 | \$ 445,673 | \$ 358,447 | \$ (120,796) | \$ 5,146,146 |
| LIABILITIES | | | | | | |
| Accounts payable and accrued liabilities | \$ 5,849,497 | \$ 5,448 | \$ 73,869 | \$ 208,060 | | \$ 6,136,874 |
| Intergovernmental payables | 1,968,341 | 2,382 | 94 | 82,438 | | 2,053,255 |
| Due to other funds | 1,470,065 | 9 | 69,842 | 22,126 | \$ (120,796) | 1,441,246 |
| Due to component units | 112,194 | 3 | | 46,110 | | 158,307 |
| Unavailable revenue | 878,462 | 3,525 | 7,045 | 129,954 | | 1,018,986 |
| Unearned revenue | 383,919 | 20,681 | | | | 404,600 |
| Obligations under securities lending of State Treasurer | 580,565 | | 3,409 | 8,414 | | 592,388 |
| General obligation certificates payable | 1,021,890 | | | | | 1,021,890 |
| Matured portion of long-term liabilities | 103 | | | | | 103 |
| Total liabilities | 12,265,036 | 32,048 | 154,259 | 497,102 | (120,796) | 12,827,649 |
| FUND BALANCES | | | | | | |
| Reserved for: | | | | | | |
| Encumbrances | 8,315 | 1 | | 86 | | 8,402 |
| Long-term portion of loans and notes receivable | 8,019 | | | | | 8,019 |
| Inventories | 24,382 | | | | | 24,382 |
| Unreserved | (7,953,379) | 78,400 | 291,414 | (138,741) | | (7,722,306) |
| Total fund balances (deficits) | (7,912,663) | 78,401 | 291,414 | (138,655) | | (7,681,503) |
| Total liabilities and fund balances | \$ 4,352,373 | \$ 110,449 | \$ 445,673 | \$ 358,447 | \$ (120,796) | \$ 5,146,146 |

State of Illinois

**Combining Schedule of Revenues, Expenditures
and Changes in Fund Balances
General Fund**

For the Year Ended June 30, 2009 (Expressed in Thousands)

| | General Revenue Account | Education Assistance Account | Common School Account | Medicaid Provider Assessment Program | Eliminations | Total |
|--|-------------------------------|------------------------------------|-----------------------------|---|-----------------|-----------------------|
| REVENUES | | | | | | |
| Income taxes | \$ 9,996,358 | \$ 807,881 | | | | \$ 10,804,239 |
| Sales taxes | 5,000,564 | | \$ 1,658,021 | | | 6,658,585 |
| Public utility taxes | 1,050,886 | | 117,476 | | | 1,168,362 |
| Hospital assessment taxes | 904,869 | | | \$ 70,217 | | 975,086 |
| Other taxes | 1,500,816 | | 176,121 | 172,643 | | 1,849,580 |
| Federal government | 7,741,821 | | | 1,382,474 | | 9,124,295 |
| Licenses and fees | 270,137 | | 650 | 466 | | 271,253 |
| Interest and other investment income | 78,372 | | 628 | 1,305 | | 80,305 |
| Other | 407,747 | 31 | | 822,207 | | 1,229,985 |
| Total revenues | 26,951,570 | 807,912 | 1,952,896 | 2,449,312 | | 32,161,690 |
| EXPENDITURES | | | | | | |
| Current: | | | | | | |
| Health and social services | 16,061,040 | | | 2,534,772 | | 18,595,812 |
| Education | 5,992,682 | 1,492,264 | 4,452,663 | | | 11,937,609 |
| General government | 903,144 | | | | | 903,144 |
| Employment and economic development | 130,648 | | | | | 130,648 |
| Transportation | 66,516 | | | | | 66,516 |
| Public protection and justice | 2,363,193 | | | | | 2,363,193 |
| Environment and business regulations | 122,950 | | | | | 122,950 |
| Debt service: | | | | | | |
| Principal | 1,935 | | | | | 1,935 |
| Interest | 924 | | | | | 924 |
| Capital outlays | 10,248 | | | | | 10,248 |
| Total expenditures | 25,653,280 | 1,492,264 | 4,452,663 | 2,534,772 | | 34,132,979 |
| Excess (deficiency) of revenues over (under) expenditures | 1,298,290 | (684,352) | (2,499,767) | (85,460) | | (1,971,289) |
| OTHER SOURCES (USES) OF FINANCIAL RESOURCES | | | | | | |
| Transfers-in | 1,932,967 | 673,444 | 4,288,931 | 74,700 | \$ (3,999,918) | 2,970,124 |
| Transfers-out | (7,104,219) | | (1,527,577) | (10,739) | 3,999,918 | (4,642,617) |
| Capital lease financing | 916 | | | | | 916 |
| Net other sources (uses) of financial resources | (5,170,336) | 673,444 | 2,761,354 | 63,961 | -- -- | (1,671,577) |
| Net change in fund balances | (3,872,046) | (10,908) | 261,587 | (21,499) | -- -- | (3,642,866) |
| Fund balances (deficits), July 1, 2008, as restated | (4,037,400) | 89,309 | 29,827 | (117,156) | | (4,035,420) |
| (Decrease) for changes in inventories | (3,217) | | | | | (3,217) |
| FUND BALANCES (DEFICITS), JUNE 30, 2009 | \$ (7,912,663) | \$ 78,401 | \$ 291,414 | \$ (138,655) | \$ -- -- | \$ (7,681,503) |

State of Illinois

Combining Schedule of Accounts - General Fund

Medicaid Provider Assessment Program

June 30, 2009 (Expressed in Thousands)

| | University of Illinois Hospital Services Account | County Hospital Services Account | Long-Term Care Provider Account | Other Medicaid Provider Assessment Accounts | Total |
|---|--|---|---------------------------------------|--|-------------------|
| ASSETS | | | | | |
| Cash equity with State Treasurer | \$ 22,106 | \$ 1,279 | \$ 63,765 | \$ 8,870 | \$ 96,020 |
| Securities lending collateral of State Treasurer | | 897 | 6,424 | 1,093 | 8,414 |
| Receivables, net | | | | | |
| Taxes | | | 3,292 | 239 | 3,531 |
| Intergovernmental | 37,091 | 70,253 | 136,665 | 6,357 | 250,366 |
| Other | | 4 | 30 | 57 | 91 |
| Due from other funds | | | 25 | | 25 |
| Total assets | \$ 59,197 | \$ 72,433 | \$ 210,201 | \$ 16,616 | \$ 358,447 |
| LIABILITIES | | | | | |
| Accounts payable and accrued liabilities | | | \$ 192,860 | \$ 15,200 | \$ 208,060 |
| Intergovernmental payables | | \$ 71,536 | 10,902 | | 82,438 |
| Due to other funds | \$ 22,105 | | 15 | 6 | 22,126 |
| Due to component units | 46,110 | | | | 46,110 |
| Unavailable revenue | 9,949 | 24,167 | 92,662 | 3,176 | 129,954 |
| Obligations under securities lending of State Treasurer | | 897 | 6,424 | 1,093 | 8,414 |
| Total liabilities | 78,164 | 96,600 | 302,863 | 19,475 | 497,102 |
| FUND BALANCES | | | | | |
| Reserved for encumbrances | | | 85 | 1 | 86 |
| Unreserved | (18,967) | (24,167) | (92,747) | (2,860) | (138,741) |
| Total fund balances (deficits) | (18,967) | (24,167) | (92,662) | (2,859) | (138,655) |
| Total liabilities and fund balances | \$ 59,197 | \$ 72,433 | \$ 210,201 | \$ 16,616 | \$ 358,447 |

State of Illinois

**Combining Schedule of Revenues, Expenditures
and Changes in Fund Balances - General Fund**

Medicaid Provider Assessment Program

For the Year Ended June 30, 2009 (Expressed in Thousands)

| | University of Illinois Hospital Services Account | County Hospital Services Account | Long-Term Care Provider Account | Other Medicaid Provider Assessment Accounts | Total |
|--|--|---|---------------------------------------|---|---------------------|
| REVENUES | | | | | |
| Hospital assessment taxes | | | \$ 51,253 | \$ 18,964 | \$ 70,217 |
| Other taxes | | | 172,643 | | 172,643 |
| Federal government | \$ 144,438 | \$ 764,662 | 448,843 | 24,531 | 1,382,474 |
| Licenses and fees | | | | 466 | 466 |
| Interest and other investment income | | 176 | 1,010 | 119 | 1,305 |
| Other | 56,356 | 715,166 | 50,685 | | 822,207 |
| Total revenues | 200,794 | 1,480,004 | 724,434 | 44,080 | 2,449,312 |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| Health and social services | 233,225 | 1,415,034 | 846,948 | 39,565 | 2,534,772 |
| Total expenditures | 233,225 | 1,415,034 | 846,948 | 39,565 | 2,534,772 |
| Excess (deficiency) of revenues over (under) expenditures | (32,431) | 64,970 | (122,514) | 4,515 | (85,460) |
| OTHER SOURCES (USES) OF FINANCIAL RESOURCES | | | | | |
| Transfers-in | 44,700 | | 30,000 | | 74,700 |
| Transfers-out | (9,239) | | | (1,500) | (10,739) |
| Net other sources (uses) of financial resources | 35,461 | | 30,000 | (1,500) | 63,961 |
| Net change in fund balances | 3,030 | 64,970 | (92,514) | 3,015 | (21,499) |
| Fund balances (deficits), July 1, 2008 | (21,997) | (89,137) | (148) | (5,874) | (117,156) |
| FUND BALANCES (DEFICITS), JUNE 30, 2009 | \$ (18,967) | \$ (24,167) | \$ (92,662) | \$ (2,859) | \$ (138,655) |

State of Illinois

**Combining Balance Sheet -
Nonmajor Governmental Funds**

June 30, 2009 (Expressed in Thousands)

| | Special Revenue Funds | Debt Service Funds | Capital Projects Funds | Permanent Fund | Total Nonmajor Governmental Funds |
|---|-----------------------------|--------------------------|------------------------------|-------------------|--|
| ASSETS | | | | | |
| Cash equity with State Treasurer | \$ 2,497,918 | \$ 650,677 | \$ 73,242 | \$ 817 | \$ 3,222,654 |
| Cash and cash equivalents | 30,719 | 122,621 | 4,210 | 186 | 157,736 |
| Securities lending collateral of State Treasurer | 78,201 | 79,109 | | | 157,310 |
| Investments | 24,159 | 53,221 | | 1,287 | 78,667 |
| Receivables, net: | | | | | |
| Taxes | 360,678 | | | | 360,678 |
| Intergovernmental | 499,805 | | 285 | | 500,090 |
| Other | 296,325 | 906 | 10 | | 297,241 |
| Due from other funds | 467,085 | 10,028 | 4,204 | | 481,317 |
| Due from component units | 361,387 | | | | 361,387 |
| Inventories | 17,217 | | | | 17,217 |
| Loans and notes receivable, net | 42,260 | 15,859 | | | 58,119 |
| Other assets | 5,571 | | | | 5,571 |
| Total assets | \$ 4,681,325 | \$ 932,421 | \$ 81,951 | \$ 2,290 | \$ 5,697,987 |
| LIABILITIES | | | | | |
| Accounts payable and accrued liabilities | \$ 372,425 | | \$ 49,781 | | \$ 422,206 |
| Intergovernmental payables | 1,424,127 | | 14,238 | | 1,438,365 |
| Due to other funds | 294,491 | \$ 30 | 260 | \$ 285 | 295,066 |
| Due to component units | 34,695 | | 611 | | 35,306 |
| Unavailable revenue | 411,986 | | 10 | | 411,996 |
| Unearned revenue | 260,055 | | 1,050 | | 261,105 |
| Obligations under security lending of State Treasurer | 78,201 | 79,109 | | | 157,310 |
| Total liabilities | 2,875,980 | 79,139 | 65,950 | 285 | 3,021,354 |
| FUND BALANCES | | | | | |
| Reserved for: | | | | | |
| Encumbrances | 23,452 | | 10 | | 23,462 |
| Long-term portion of: | | | | | |
| Loans and notes receivable | 42,260 | 15,859 | | | 58,119 |
| Due from State of Illinois component units | 340,987 | | | | 340,987 |
| Inventories | 17,217 | | | | 17,217 |
| Other purposes | 7,804 | | | 1,089 | 8,893 |
| Unreserved: | | | | | |
| Designated for reappropriated accounts | 42,025 | | 421 | | 42,446 |
| Undesignated | 1,331,600 | 837,423 | 15,570 | 916 | 2,185,509 |
| Total fund balances | 1,805,345 | 853,282 | 16,001 | 2,005 | 2,676,633 |
| Total liabilities and fund balances | \$ 4,681,325 | \$ 932,421 | \$ 81,951 | \$ 2,290 | \$ 5,697,987 |

State of Illinois

**Combining Statement of Revenues, Expenditures
and Changes in Fund Balances - Nonmajor Governmental Funds**

For the Year Ended June 30, 2009 (Expressed in Thousands)

| | Special Revenue Funds | Debt Service Funds | Capital Projects Funds | Permanent Fund | Total Nonmajor Governmental Funds |
|--|-----------------------------|--------------------------|------------------------------|-------------------|--|
| REVENUES | | | | | |
| Income taxes | \$ 1,055,994 | | | | \$ 1,055,994 |
| Sales taxes | 2,497,650 | | | | 2,497,650 |
| Motor fuel taxes | 1,350,032 | | | | 1,350,032 |
| Public utility taxes | 499,027 | | | | 499,027 |
| Riverboat taxes | 533,271 | | | | 533,271 |
| Other taxes | 318,588 | | | | 318,588 |
| Federal government | 7,371,981 | | \$ 33,811 | | 7,405,792 |
| Licenses and fees | 464,095 | \$ 176 | | | 464,271 |
| Interest and other investment income | 20,062 | 20,255 | | \$ 43 | 40,360 |
| Other | 899,439 | 7 | 8,863 | | 908,309 |
| Total revenues | 15,010,139 | 20,438 | 42,674 | 43 | 15,073,294 |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| Health and social services | 5,101,061 | | | 49 | 5,101,110 |
| Education | 2,330,273 | | 52,025 | | 2,382,298 |
| General government | 285,715 | 66 | 16,185 | | 301,966 |
| Employment and economic development | 668,490 | 21 | 2,894 | | 671,405 |
| Transportation | 1,260,377 | | 59,845 | | 1,320,222 |
| Public protection and justice | 310,632 | | 2 | | 310,634 |
| Environment and business regulation | 670,916 | | 9,076 | | 679,992 |
| Debt service: | | | | | |
| Principal | 1,250 | 925,141 | | | 926,391 |
| Interest | 174 | 1,101,688 | | | 1,101,862 |
| Capital outlays | 59,861 | | 77,558 | | 137,419 |
| Intergovernmental | 4,631,525 | | | | 4,631,525 |
| Total expenditures | 15,320,274 | 2,026,916 | 217,585 | 49 | 17,564,824 |
| Excess (deficiency) of revenues over (under) expenditures | (310,135) | (2,006,478) | (174,911) | (6) | (2,491,530) |
| OTHER SOURCES (USES) OF FINANCIAL RESOURCES | | | | | |
| General obligation bonds issued | | | 150,000 | | 150,000 |
| Premiums on general obligation bonds issued | | | 2,290 | | 2,290 |
| Transfers-in | 2,613,194 | 3,432,074 | 1,360 | | 6,046,628 |
| Transfers-out | (2,515,003) | (1,438,788) | (9,124) | (328) | (3,963,243) |
| Capital lease financing | 448 | | | | 448 |
| Net other sources (uses) of financial resources | 98,639 | 1,993,286 | 144,526 | (328) | 2,236,123 |
| Net change in fund balances | (211,496) | (13,192) | (30,385) | (334) | (255,407) |
| Fund balances, July 1, 2008 | 2,015,326 | 866,474 | 46,386 | 2,339 | 2,930,525 |
| Increase for changes in inventories | 1,515 | | | | 1,515 |
| FUND BALANCES, JUNE 30, 2009 | \$ 1,805,345 | \$ 853,282 | \$ 16,001 | \$ 2,005 | \$ 2,676,633 |

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SPECIAL REVENUE FUNDS

The Special Revenue Funds are maintained to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

SIGNIFICANT NONMAJOR GOVERNMENTAL SPECIAL REVENUE FUNDS DESCRIPTIONS

Supreme Court

Mandatory Arbitration Fund--to receive and record monies received from counties charging fees for the filing of the first pleading, paper, or other appearance filed by each party in all civil cases.

Attorney General

Attorney General Court Order and Voluntary Compliance Payments Project Fund--to receive and record monies obtained from payments to the Attorney General for the operations of the Office. Monies in the Fund may be expended for purposes relating to the exercise of the duties of the Attorney General and public education programs; however, any monies in the Fund that are required by the court or by an agreement to be used for a particular purpose shall be used for that purpose.

Attorney General Whistleblower Reward and Protection Fund--to account for one-sixth of proceeds from action or settlement of claims brought under the Whistleblower Reward and Protection Act to be used by the Office of the Attorney General for State law enforcement purposes.

State Projects and Court Order Distribution Fund--to receive and record monies received from court distributions to be used in accordance with limitations of settlement.

Secretary of State

Secretary of State Identification Security and Theft Prevention Fund--to provide funding for identification security theft and security measures.

Treasurer

State Pensions Fund--to account for receipts from the sale of abandoned property. Expenditures are primarily to the various State retirement systems for the reduction of the accrued actuarial unfunded liability.

Unclaimed Property Trust Fund--to account for monies received as abandoned property or from the sale of abandoned property pursuant to the Uniform Disposition of Unclaimed Property Act.

Tobacco Settlement Recovery Fund--to account for monies received annually as a part of the Master Settlement Agreement in the State of Illinois vs. Philip Morris.

Department of Commerce and Economic Opportunity

Supplemental Low Income Energy Assistance Fund--to provide assistance to low-income households in paying heating and cooling costs.

Tourism Promotion Fund--to provide assistance for the promotion and marketing of local tourist attractions and services throughout the State.

Low Income Home Energy Assistance Block Grant Fund--to provide assistance to low-income households in paying heating and cooling costs through the Low Income Home Energy Assistance Block Grant.

Intra-Agency Services Fund--to account for monies received as indirect cost reimbursements from federal programs for general administration by the Department of Commerce and Economic Opportunity.

Job Training Partnership Fund--to aid the disadvantaged and dislocated workers in the development of skills to fulfill the need of local firms at no cost or reduced cost to those firms.

Build Illinois Capital Revolving Loan Fund--to finance intermediary agreements, administration, technical assistance agreements, loans, grants and investments through the Build Illinois Act.

Public Infrastructure Construction Loan Revolving Fund--to provide loans and grants to local governments to assist in financing the cost of acquisition, construction, reconstruction, replacement, repair, or improvement of public infrastructure.

Department of Natural Resources

Wildlife and Fish Fund--to manage revenues from licenses, permits, fees, fines and other income from hunting and fishing activities to be used to maintain, acquire and preserve land for wildlife and fishing activities.

Open Space Lands Acquisition and Development Fund--to receive deposits from monies collected under the Real Estate Transfer Tax Act to be transferred, appropriated and used only for the purposes authorized by the Open Space Lands Acquisition and Development Act.

Department of Employment Security

Title III Social Security and Employment Service Fund--to account for monies received from the federal government for the specific purpose of administering the Unemployment Compensation Act.

Unemployment Compensation Special Administration Fund--to account for collections of interest and penalties from employers and judgment interest from claimants as provided by law for the administration of the Unemployment Compensation Act or for transfer to the Unemployment Compensation Trust Fund.

Department of Financial and Professional Regulation

Real Estate License Administration Fund--to account for fees collected and expenditures in administering the Real Estate License Act of 2000.

Insurance Financial Regulation Fund--to account for fees collected and expenditures in administering financial regulation in accordance with the Illinois Insurance Code.

Department of Human Services

Mental Health Fund--to help finance the advancement of mental health facilities and services in the State of Illinois.

Vocational Rehabilitation Fund--to account for federal monies or grants from private or public sources for vocational rehabilitation.

DHS Special Purposes Trust Fund--to receive and disburse federal grants, gifts and legacies not elsewhere designated by statute to be deposited and disbursed.

Early Intervention Services Revolving Fund--to provide coordinated, comprehensive, inter-disciplinary services to enforce the growth and development of children from birth through 36 months of age who have disabilities and/or developmental delays.

USDA Women, Infants and Children Fund--to administer the federal Supplemental Food Program for Women, Infants and Children.

Food Stamp and Commodity Fund--to account for food stamps and commodities received from the federal government.

Department of Revenue

State Gaming Fund--to receive and record fees obtained from owners' license applications for riverboat gambling operations.

State and Local Sales Tax Reform Fund--to record proceeds from the 1% use tax on food and drugs and 20% of the proceeds from the 6.25% sales tax.

County and Mass Transit District Fund--to record 4% of the proceeds from a 6.25% Retailers' and Service Occupation tax.

Local Government Tax Fund--to account for 15% share of various sales taxes that will be distributed to cities and counties.

Illinois Affordable Housing Trust Fund--to account for a portion of the State real estate transfer tax used for grants and low or no interest mortgages or other loans to acquire, construct, rehabilitate, develop, operate, insure, and retain affordable single family and multi-family housing for low-income households.

Horse Racing Equity Trust Fund--to receive and record fees obtained from owners' license applications for riverboat gambling operations to be disbursed 60% for horse racing purses and 40% for horse racing promotional activities.

Local Government Distributive Fund--to receive one-tenth of the State's income tax collections to distribute to various municipalities and counties within the State.

Personal Property Tax Replacement Fund--to allocate and disburse to each taxing district within the State the net revenue received from the personal property replacement income tax.

Build Illinois Fund--to receive a percentage of sales, hotel and privilege taxes to be used for monthly allocation to various State agencies for the purpose of promoting tourism related activities.

Department of Transportation

Motor Fuel Tax Fund--to account for the activities of various transportation related program expenditures and the administrative cost of supervising the use of funds apportioned to municipalities, counties, and road districts.

Federal/Local Airport Fund--to receive and manage federal funds for airport construction.

State Rail Freight Loan Repayment Fund--to receive and record repayments of loans of State funds made by the Illinois Department of Transportation to railroads, units of local government, rail users, owners, and lessees of railroad right of ways to rehabilitate, improve or construct rail facilities.

Public Transportation Fund--to receive monthly transfers from the General Revenue Account in the General Fund representing statutory shares under various sales tax acts and distribute to the Regional Transportation Authority pursuant to a statutory formula.

Downstate Public Transportation Fund--to provide financial assistance for local governments with public transportation systems.

Department of Children and Family Services

DCFS Childrens' Services Fund--to account for revenues and expenditures related to the federal Title IV-E foster care and adoption service program.

Illinois Power Agency

Illinois Power Agency Trust Fund--to account for the operations of the Illinois Power Agency.

Department of Healthcare and Family Services

Child Support Administration Fund--to receive and record fees related to the administration of the Child Support Enforcement Program.

Department of Public Health

Public Health Services Fund--to account for funds received from the federal government for various federal project awards.

Department of State Police

State Police Whistleblower Reward and Protection Fund--to account for one-sixth of proceeds from action or settlement of claims brought under the Whistleblower Reward and Protection Act to be used by the Department of State Police for State law enforcement purposes.

Illinois Commerce Commission

Wireless Service Emergency Fund--to receive two-thirds of the wireless carrier surcharge assessed monthly to wireless telephone service subscribers in order to provide grants for the design, implementation, maintenance, operation, or upgrade of emergency services systems.

Wireless Carrier Reimbursement Fund--to receive one-third of the wireless carrier surcharge assessed monthly to wireless telephone service subscribers to reimburse wireless telephone service carriers for the installation of the equipment necessary to provide enhanced emergency calling services to subscribers.

State Board of Education

Drivers Education Fund--to account for monies used to reimburse school districts for each pupil completing a driver education course that meets the minimum requirements of the Driver Education Act.

SBE Federal Department of Agriculture Fund--to account for the federal share of nutrition programs which provide nutritious meals for children and aging adults.

SBE Federal Department of Education Fund--to receive and disburse federal monies to provide financial assistance for educational programs funded by the U.S. Department of Education.

Office of the State Fire Marshal

Fire Prevention Fund--to account for assessments on insurance companies offering fire insurance and fees from boiler and pressure vessel certifications to be used for fire safety and education programs.

Fire Truck Revolving Loan Fund--to account for resources used to provide zero-interest loans to local governments for the purchase of fire trucks.

Capital Development Board

School Infrastructure Fund--to receive and record one-half of monies obtained from a telecommunication tax in accordance with the Telecommunications Excise Tax Act as amended. Monies in the Fund may be expended for the purpose of discharging the principal and interest on bond indebtedness for construction of school improvements, making payments to the School Technology Revolving Loan Fund and grants for school construction projects.

Criminal Justice Information Authority

Criminal Justice Trust Fund--to account for funds received for the implementation of the Omnibus Crime Control and Safe Streets Act of 1968.

Workers' Compensation Commission

Illinois Workers' Compensation Commission Operations Fund--to receive and record surcharges on workers' compensation premiums paid by employers to be spent for operations of the Workers' Compensation Commission.

Metropolitan Fair and Exposition Authority

Metropolitan and Exposition Auditorium and Office Building Fund--to account for transfers of portions of tax monies received pursuant to the Illinois Horse Racing Act from the General Revenue Account of the General Fund which are to be disbursed or transferred to other State funds based on acceptance of qualifying grant applications.

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State of Illinois

**Combining Balance Sheet
Nonmajor Special Revenue Funds**

June 30, 2009 (Expressed in Thousands)

| | Supreme Court | | Secretary of State Secretary of State Identification Security and Theft Prevention Fund | Treasurer | Commerce and Economic Opportunity | Natural Resources | Employment Security |
|---|----------------------------------|---------------------|---|-------------------|---|----------------------|------------------------|
| | Mandatory Arbitration Fund | Attorney General | | | | | |
| ASSETS | | | | | | | |
| Cash equity with State Treasurer | \$ 13,608 | \$ 56,500 | \$ 22,903 | \$ 154,807 | \$ 71,206 | \$ 100,127 | \$ 16,191 |
| Cash and cash equivalents | | | | | | 36 | 4 |
| Securities lending collateral of State Treasurer | | 48 | | | 2,186 | 3,195 | |
| Investments | | | | | 3,124 | | |
| Receivables, net | | | | | | | |
| Taxes | | | | | 7,002 | | |
| Intergovernmental | 998 | | 1,086 | 19,819 | 55,733 | 3,516 | 28,852 |
| Other | | 298 | | 178,528 | 618 | 1,588 | 3 |
| Due from other funds | | | | 61 | 31,981 | | 20,191 |
| Due from component units | | | | | | 4 | |
| Inventories | | | | | | 3,126 | 728 |
| Loans and notes receivable, net | | | | | 13,312 | | |
| Other assets | | | | | 5,571 | | |
| Total assets | \$ 14,606 | \$ 56,846 | \$ 23,989 | \$ 353,215 | \$ 190,733 | \$ 111,592 | \$ 65,969 |
| LIABILITIES | | | | | | | |
| Accounts payable and accrued liabilities | \$ 207 | \$ 168 | \$ 587 | \$ 27,393 | \$ 22,515 | \$ 3,798 | \$ 9,875 |
| Intergovernmental payables | | | | 2,144 | 32,781 | 80 | 351 |
| Due to other funds | 39 | 106 | | 54 | 10,484 | 1,252 | 13,130 |
| Due to component units | | | | 1,971 | 1,003 | 1,444 | |
| Unavailable revenue | | 151 | 1,086 | 171,043 | 9,353 | 969 | |
| Unearned revenue | | | | | 2,522 | | |
| Obligations under securities lending of State Treasurer | | 48 | | | 2,186 | 3,195 | |
| Total liabilities | 246 | 473 | 1,673 | 202,605 | 80,844 | 10,738 | 23,356 |
| FUND BALANCES | | | | | | | |
| Reserved for: | | | | | | | |
| Encumbrances | 1 | 1 | | | 369 | | |
| Long-term portion of: | | | | | | | |
| Loans and notes receivable | | | | | 13,312 | | |
| Due from State of Illinois component units | | | | | | | |
| Inventories | | | | | | 3,126 | 728 |
| Other | | | | | 5,571 | | |
| Unreserved: | | | | | | | |
| Designated for other reappropriated accounts | | | | | | 29,236 | |
| Undesignated | 14,359 | 56,372 | 22,316 | 150,610 | 90,637 | 68,492 | 41,885 |
| Total fund balances | 14,360 | 56,373 | 22,316 | 150,610 | 109,889 | 100,854 | 42,613 |
| Total liabilities and fund balances | \$ 14,606 | \$ 56,846 | \$ 23,989 | \$ 353,215 | \$ 190,733 | \$ 111,592 | \$ 65,969 |

| Financial and Professional Regulation | Human Services | Revenue | Transportation | Other Departments | Illinois Commerce Commission | State Board of Education | Office of the State Fire Marshal | Other Agencies, Boards and Authorities | Other | Total |
|---------------------------------------|----------------|--------------|----------------|-------------------|------------------------------|--------------------------|----------------------------------|--|------------|--------------|
| \$ 30,265 | \$ 72,505 | \$ 846,381 | \$ 124,199 | \$ 121,349 | \$ 38,000 | \$ 3,872 | \$ 23,220 | \$ 156,107 | \$ 646,678 | \$ 2,497,918 |
| | 4,202 | | | 292 | | | | | 26,185 | 30,719 |
| 3,782 | 234 | 22,143 | 1,671 | 3,733 | | | 527 | 6,841 | 33,841 | 78,201 |
| | | | | | | | | | 21,035 | 24,159 |
| | 271 | 175,960 | 117,072 | | 3,708 | | | 41,226 | 15,439 | 360,678 |
| | 29,246 | | 23,054 | 119,491 | | 113,047 | 10 | 2,381 | 102,572 | 499,805 |
| 16,791 | 19,087 | 107 | 11 | 13,362 | | 612 | 949 | 31 | 64,340 | 296,325 |
| | 20,153 | 107,098 | 221,959 | 5,660 | | 409 | 41 | 1,143 | 58,389 | 467,085 |
| | 167 | 340,987 | | | | 312 | 18,692 | | 1,225 | 361,387 |
| | | | | 723 | | 1,425 | | | 11,215 | 17,217 |
| | | | 18,219 | | | | | | 10,729 | 42,260 |
| | | | | | | | | | | 5,571 |
| \$ 50,838 | \$ 145,865 | \$ 1,492,676 | \$ 506,185 | \$ 264,610 | \$ 41,708 | \$ 119,677 | \$ 43,439 | \$ 207,729 | \$ 991,648 | \$ 4,681,325 |
| \$ 398 | \$ 60,012 | \$ 29,602 | \$ 22,587 | \$ 43,904 | \$ 5 | \$ 6,739 | \$ 1,596 | \$ 4,373 | \$ 138,666 | \$ 372,425 |
| 28 | 6,950 | 876,202 | 263,088 | 33,316 | 19,265 | 119,651 | 30 | 3,320 | 66,921 | 1,424,127 |
| 161 | 2,614 | 90,329 | 102,144 | 13,507 | 5 | 2,620 | 267 | 739 | 57,040 | 294,491 |
| | 2,957 | 61 | | 5,005 | | 1,188 | 76 | | 20,990 | 34,695 |
| 1,667 | 10,215 | 11,935 | 24,935 | 72,856 | | 4,045 | 216 | 41,142 | 62,373 | 411,986 |
| | 20,669 | 121,812 | | | | 167 | | 69,351 | 45,534 | 260,055 |
| 3,782 | 234 | 22,143 | 1,671 | 3,733 | | | 527 | 6,841 | 33,841 | 78,201 |
| 6,036 | 103,651 | 1,152,084 | 414,425 | 172,321 | 19,275 | 134,410 | 2,712 | 125,766 | 425,365 | 2,875,980 |
| 4 | | 1,426 | 1 | 11,411 | 1 | 197 | 13 | 6 | 10,022 | 23,452 |
| | | | 18,219 | | | | | | 10,729 | 42,260 |
| | | 340,987 | | | | | | | | 340,987 |
| | | | | 723 | | 1,425 | | | 11,215 | 17,217 |
| | | | | | | | | | 2,233 | 7,804 |
| | | | 5,698 | | | | | | 7,091 | 42,025 |
| 44,798 | 42,214 | (1,821) | 67,842 | 80,155 | 22,432 | (16,355) | 40,714 | 81,957 | 524,993 | 1,331,600 |
| 44,802 | 42,214 | 340,592 | 91,760 | 92,289 | 22,433 | (14,733) | 40,727 | 81,963 | 566,283 | 1,805,345 |
| \$ 50,838 | \$ 145,865 | \$ 1,492,676 | \$ 506,185 | \$ 264,610 | \$ 41,708 | \$ 119,677 | \$ 43,439 | \$ 207,729 | \$ 991,648 | \$ 4,681,325 |

State of Illinois

**Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Special Revenue Funds**

For the Year Ended June 30, 2009 (Expressed in Thousands)

| | Supreme Court | | Secretary of State Secretary of State Identification Security and Theft Prevention Fund | Treasurer | Commerce and Economic Opportunity | Natural Resources | Employment Security |
|--|----------------------------------|---------------------|---|-------------------|---|----------------------|------------------------|
| | Mandatory Arbitration Fund | Attorney General | | | | | |
| REVENUES | | | | | | | |
| Income taxes | | | | | | | |
| Sales taxes | | | | | | | |
| Motor fuel taxes | | | | | | | |
| Public utility taxes | | | | | \$ 88,734 | | |
| Riverboat taxes | | | | | | | |
| Other taxes | | | | | | \$ 14,351 | |
| Federal government | | | | \$ 432,990 | 392,566 | 13,027 | \$ 219,464 |
| Licenses and fees | \$ 6,724 | | | | | 36,706 | 19 |
| Interest and other investment income | | \$ 7 | | 559 | 3,681 | 594 | 217 |
| Other | | 38,081 | | 472,336 | 57 | 3,834 | 1,435 |
| Total revenues | 6,724 | 38,088 | | 905,885 | 485,038 | 68,512 | 221,135 |
| EXPENDITURES | | | | | | | |
| Current: | | | | | | | |
| Health and social services | | | | 793,946 | 310,349 | | |
| Education | | | | 218,905 | | | |
| General government | | 5,603 | \$ 2,584 | 7,278 | | | |
| Employment and economic development | | | | | 211,413 | | 224,188 |
| Transportation | | | | | | | |
| Public protection and justice | 6,482 | | | | | | |
| Environment and business regulations | | | | | | 83,636 | |
| Debt service: | | | | | | | |
| Principal | | | | | | | |
| Interest | | | | | | | |
| Capital outlays | | | | 168 | 49 | 1,332 | 41 |
| Intergovernmental | | | | | | | |
| Total expenditures | 6,482 | 5,603 | 2,584 | 1,020,297 | 521,811 | 84,968 | 224,229 |
| Excess (deficiency) of revenues over (under) expenditures | 242 | 32,485 | (2,584) | (114,412) | (36,773) | (16,456) | (3,094) |
| OTHER SOURCES (USES) OF FINANCIAL RESOURCES | | | | | | | |
| Transfers-in | | 1 | 12,500 | 127,362 | 44,126 | | 25,221 |
| Transfers-out | | (8,250) | | (147,296) | (13,576) | | (13,519) |
| Capital lease and installment purchase acquisitions | | | | | | | |
| Net other sources (uses) of financial resources | | (8,249) | 12,500 | (19,934) | 30,550 | | 11,702 |
| Net change in fund balances | 242 | 24,236 | 9,916 | (134,346) | (6,223) | (16,456) | 8,608 |
| Fund balances, July 1, 2008 | 14,118 | 32,137 | 12,400 | 284,956 | 116,112 | 116,164 | 34,292 |
| Increase (decrease) for changes in inventories | | | | | | 1,146 | (287) |
| FUND BALANCES, JUNE 30, 2009 | \$ 14,360 | \$ 56,373 | \$ 22,316 | \$ 150,610 | \$ 109,889 | \$ 100,854 | \$ 42,613 |

| Financial and Professional Regulation | Human Services | Revenue | Transportation | Other Departments | Illinois Commerce Commission | State Board of Education | Office of the State Fire Marshal | Other Agencies, Boards and Authorities | Other | Total |
|---------------------------------------|----------------|--------------|----------------|-------------------|------------------------------|--------------------------|----------------------------------|--|------------|--------------|
| | | \$ 1,055,994 | | | | | | | | \$ 1,055,994 |
| | | 2,478,795 | | | | | | | \$ 18,855 | 2,497,650 |
| | | | \$ 1,280,486 | | | | | | 69,546 | 1,350,032 |
| | | 222,169 | | | \$ 70,070 | | | \$ 100,100 | 17,954 | 499,027 |
| | | 533,271 | | | | | | | | 533,271 |
| | \$ 1,266 | 137,323 | 5 | | | | \$ 21,314 | 83,341 | 60,988 | 318,588 |
| | 2,681,200 | | 79,381 | \$ 692,058 | | \$ 2,017,551 | | 27,113 | 816,631 | 7,371,981 |
| \$ 28,837 | 4,152 | 3,312 | 698 | | | 11,594 | 4,376 | | 367,677 | 464,095 |
| 556 | 72 | 4,215 | 765 | 610 | | | 262 | 572 | 7,952 | 20,062 |
| 52 | 45,835 | 14,287 | 13,014 | 49,913 | | 7,895 | 19,060 | | 233,640 | 899,439 |
| 29,445 | 2,732,525 | 4,449,366 | 1,374,349 | 742,581 | 70,070 | 2,037,040 | 45,012 | 211,126 | 1,593,243 | 15,010,139 |
| | | | | | | | | | | |
| | 2,790,292 | 5,243 | | 723,082 | | | 887 | | 477,262 | 5,101,061 |
| | | | | | | 2,037,472 | 2,445 | 104 | 71,347 | 2,330,273 |
| | | 33,583 | 82,318 | | | | 149 | 578 | 153,622 | 285,715 |
| | | 30,752 | | | | | | | 202,137 | 668,490 |
| | | | 1,203,118 | | | | | | 57,259 | 1,260,377 |
| 13,454 | | 1,288 | | 2,117 | 79,048 | | 18,514 | 27,673 | 255,846 | 310,632 |
| | | | | | | | | 19,408 | 474,082 | 670,916 |
| | 19 | | | 179 | | | | 5 | 1,047 | 1,250 |
| | 1 | | | 21 | | | | 1 | 151 | 174 |
| | 391 | | 230 | 1,556 | | 224 | 1,091 | 43 | 54,736 | 59,861 |
| | | 4,576,829 | | | | | | | 54,696 | 4,631,525 |
| 13,454 | 2,790,703 | 4,647,695 | 1,285,666 | 726,955 | 79,048 | 2,037,696 | 23,086 | 47,812 | 1,802,185 | 15,320,274 |
| | | | | | | | | | | |
| 15,991 | (58,178) | (198,329) | 88,683 | 15,626 | (8,978) | (656) | 21,926 | 163,314 | (208,942) | (310,135) |
| | | | | | | | | | | |
| | 79,194 | 1,251,682 | 582,945 | 38,173 | 13,339 | | | 98,791 | 339,860 | 2,613,194 |
| (19,635) | (6,000) | (1,153,776) | (602,033) | (3,000) | (18,339) | (1,000) | (218) | (267,310) | (261,051) | (2,515,003) |
| | | | | | | 170 | | | 278 | 448 |
| (19,635) | 73,194 | 97,906 | (19,088) | 35,173 | (5,000) | (830) | (218) | (168,519) | 79,087 | 98,639 |
| (3,644) | 15,016 | (100,423) | 69,595 | 50,799 | (13,978) | (1,486) | 21,708 | (5,205) | (129,855) | (211,496) |
| 48,446 | 27,198 | 441,015 | 22,165 | 42,216 | 36,411 | (14,228) | 19,019 | 87,168 | 695,737 | 2,015,326 |
| | | | | (726) | | 981 | | | 401 | 1,515 |
| \$ 44,802 | \$ 42,214 | \$ 340,592 | \$ 91,760 | \$ 92,289 | \$ 22,433 | \$ (14,733) | \$ 40,727 | \$ 81,963 | \$ 566,283 | \$ 1,805,345 |

*State of Illinois***Combining Balance Sheet - Nonmajor Special Revenue Funds****Attorney General**

June 30, 2009 (Expressed in Thousands)

| | Attorney General Court Order and Voluntary Compliance Payments Project Fund | Attorney General Whistleblower Reward and Protection Fund | State Projects and Court Order Distribution Fund | Total |
|---|---|--|--|------------------|
| ASSETS | | | | |
| Cash equity with State Treasurer | \$ 19,920 | \$ 22,904 | \$ 13,676 | \$ 56,500 |
| Securities lending collateral of State Treasurer | | | 48 | 48 |
| Other receivables, net | 82 | 65 | 151 | 298 |
| Total assets | \$ 20,002 | \$ 22,969 | \$ 13,875 | \$ 56,846 |
| LIABILITIES | | | | |
| Accounts payable and accrued liabilities | \$ 57 | \$ 23 | \$ 88 | \$ 168 |
| Due to other funds | 40 | 16 | 50 | 106 |
| Unavailable revenue | | | 151 | 151 |
| Obligations under securities lending of State Treasurer | | | 48 | 48 |
| Total liabilities | 97 | 39 | 337 | 473 |
| FUND BALANCES | | | | |
| Reserved for encumbrances | | | 1 | 1 |
| Unreserved | 19,905 | 22,930 | 13,537 | 56,372 |
| Total fund balances | 19,905 | 22,930 | 13,538 | 56,373 |
| Total liabilities and fund balances | \$ 20,002 | \$ 22,969 | \$ 13,875 | \$ 56,846 |

State of Illinois

**Combining Statement of Revenues, Expenditures
and Changes in Fund Balances - Nonmajor Special Revenue Funds
Attorney General**

For the Year Ended June 30, 2009 (Expressed in Thousands)

| | Attorney General Court Order and Voluntary Compliance Payments Project Fund | Attorney General Whistleblower Reward and Protection Fund | State Projects and Court Order Distribution Fund | Total |
|--|---|--|--|------------------|
| REVENUES | | | | |
| Interest and other investment income | | | \$ 7 | \$ 7 |
| Other | \$ 5,968 | \$ 26,544 | 5,569 | 38,081 |
| Total revenues | 5,968 | 26,544 | 5,576 | 38,088 |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | 2,566 | 1,394 | 1,643 | 5,603 |
| Total expenditures | 2,566 | 1,394 | 1,643 | 5,603 |
| Excess (deficiency) of revenues over (under) expenditures | 3,402 | 25,150 | 3,933 | 32,485 |
| OTHER SOURCES (USES) OF FINANCIAL RESOURCES | | | | |
| Transfers-in | | | 1 | 1 |
| Transfers-out | | (8,250) | | (8,250) |
| Net other sources (uses) of financial resources | | (8,250) | 1 | (8,249) |
| Net change in fund balances | 3,402 | 16,900 | 3,934 | 24,236 |
| Fund balances, July 1, 2008 | 16,503 | 6,030 | 9,604 | 32,137 |
| FUND BALANCES, JUNE 30, 2009 | \$ 19,905 | \$ 22,930 | \$ 13,538 | \$ 56,373 |

*State of Illinois***Combining Balance Sheet - Nonmajor Special Revenue Funds****Treasurer**

June 30, 2009 (Expressed in Thousands)

| | State Pensions Fund | Unclaimed Property Trust Fund | Tobacco Settlement Recovery Fund | Total |
|--|------------------------|-------------------------------------|--|-------------------|
| ASSETS | | | | |
| Cash equity with State Treasurer | \$ 57,181 | \$ 56,923 | \$ 40,703 | \$ 154,807 |
| Receivables, net | | | | |
| Intergovernmental | | | 19,819 | 19,819 |
| Other | | | 178,528 | 178,528 |
| Due from other funds | | | 61 | 61 |
| Total assets | \$ 57,181 | \$ 56,923 | \$ 239,111 | \$ 353,215 |
| LIABILITIES | | | | |
| Accounts payable and accrued liabilities | \$ 212 | \$ 1,889 | \$ 25,292 | \$ 27,393 |
| Intergovernmental payables | 2 | | 2,142 | 2,144 |
| Due to other funds | 13 | 25 | 16 | 54 |
| Due to component units | | | 1,971 | 1,971 |
| Unavailable revenue | | | 171,043 | 171,043 |
| Total liabilities | 227 | 1,914 | 200,464 | 202,605 |
| FUND BALANCES | | | | |
| Unreserved | 56,954 | 55,009 | 38,647 | 150,610 |
| Total fund balances | 56,954 | 55,009 | 38,647 | 150,610 |
| Total liabilities and fund balances | \$ 57,181 | \$ 56,923 | \$ 239,111 | \$ 353,215 |

State of Illinois

**Combining Statement of Revenues, Expenditures
and Changes in Fund Balances - Nonmajor Special Revenue Funds
Treasurer**

For the Year Ended June 30, 2009 (Expressed in Thousands)

| | State Pensions Fund | Unclaimed Property Trust Fund | Tobacco Settlement Recovery Fund | Total |
|--|------------------------|-------------------------------------|--|-------------------|
| REVENUES | | | | |
| Federal government | | | \$ 432,990 | \$ 432,990 |
| Interest and other investment income | | | 559 | 559 |
| Other | | \$ 132,162 | 340,174 | 472,336 |
| Total revenues | | 132,162 | 773,723 | 905,885 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Health and social services | | | 793,946 | 793,946 |
| Education | \$ 218,905 | | | 218,905 |
| General government | 6,474 | | 804 | 7,278 |
| Capital outlays | 7 | | 161 | 168 |
| Total expenditures | 225,386 | | 794,911 | 1,020,297 |
| Excess (deficiency) of revenues over (under) expenditures | (225,386) | 132,162 | (21,188) | (114,412) |
| OTHER SOURCES (USES) OF FINANCIAL RESOURCES | | | | |
| Transfers-in | 126,185 | 1,177 | | 127,362 |
| Transfers-out | (5,000) | (126,496) | (15,800) | (147,296) |
| Net other sources (uses) of financial resources | 121,185 | (125,319) | (15,800) | (19,934) |
| Net change in fund balances | (104,201) | 6,843 | (36,988) | (134,346) |
| Fund balances, July 1, 2008 | 161,155 | 48,166 | 75,635 | 284,956 |
| FUND BALANCES, JUNE 30, 2009 | \$ 56,954 | \$ 55,009 | \$ 38,647 | \$ 150,610 |

State of Illinois

Combining Balance Sheet - Nonmajor Special Revenue Funds

Commerce and Economic Opportunity

June 30, 2009 (Expressed in Thousands)

| | Supplemental Low Income Energy Assistance Fund | Tourism Promotion Fund | Low Income Home Energy Assistance Block Grant Fund | Intra-Agency Services Fund | Job Training Partnership Fund | Build Illinois Capital Revolving Loan Fund |
|---|--|------------------------------|--|-------------------------------|-------------------------------------|---|
| ASSETS | | | | | | |
| Cash equity with State Treasurer | \$ 28,574 | \$ 19,618 | \$ 4,450 | \$ 1,186 | \$ 1,716 | \$ 12,221 |
| Securities lending collateral of State Treasurer | | | | | 26 | 1,675 |
| Investments | | | | | | 3,124 |
| Receivables, net | | | | | | |
| Taxes | 7,002 | | | | | |
| Intergovernmental | | | 5,471 | | 50,262 | |
| Other | | 4 | | | | 25 |
| Due from other funds | | 19,072 | | 12,909 | | |
| Loans and notes receivable, net | | | | | | 857 |
| Other assets | | | | | | 5,571 |
| Total assets | \$ 35,576 | \$ 38,694 | \$ 9,921 | \$ 14,095 | \$ 52,004 | \$ 23,473 |
| LIABILITIES | | | | | | |
| Accounts payable and accrued liabilities | \$ 2,513 | \$ 2,851 | \$ 6,426 | \$ 460 | \$ 10,109 | \$ 150 |
| Intergovernmental payables | 910 | 49 | 3,062 | 9 | 28,749 | 2 |
| Due to other funds | 73 | 78 | 132 | 274 | 9,911 | 13 |
| Due to component units | | 15 | 301 | | 687 | |
| Unavailable revenue | | | 80 | | 8,669 | 15 |
| Unearned revenue | | | | | 2,522 | |
| Obligations under securities lending of State Treasurer | | | | | 26 | 1,675 |
| Total liabilities | 3,496 | 2,993 | 10,001 | 743 | 60,673 | 1,855 |
| FUND BALANCES | | | | | | |
| Reserved for: | | | | | | |
| Encumbrances | 33 | 60 | | 189 | 87 | |
| Long-term portion of loans and notes receivable | | | | | | 857 |
| Other | | | | | | 5,571 |
| Unreserved | 32,047 | 35,641 | (80) | 13,163 | (8,756) | 15,190 |
| Total fund balances (deficits) | 32,080 | 35,701 | (80) | 13,352 | (8,669) | 21,618 |
| Total liabilities and fund balances | \$ 35,576 | \$ 38,694 | \$ 9,921 | \$ 14,095 | \$ 52,004 | \$ 23,473 |

**Public
Infrastructure
Construction
Loan
Revolving
Fund**

| Fund | Total |
|-------------|--------------|
| \$ 3,441 | \$ 71,206 |
| 485 | 2,186 |
| | 3,124 |

| | |
|------------------|-------------------|
| | 7,002 |
| | 55,733 |
| 589 | 618 |
| | 31,981 |
| 12,455 | 13,312 |
| | 5,571 |
| \$ 16,970 | \$ 190,733 |

| | |
|-------|-----------|
| \$ 6 | \$ 22,515 |
| | 32,781 |
| 3 | 10,484 |
| | 1,003 |
| 589 | 9,353 |
| | 2,522 |
| 485 | 2,186 |
| 1,083 | 80,844 |

| | |
|------------------|-------------------|
| | 369 |
| 12,455 | 13,312 |
| | 5,571 |
| 3,432 | 90,637 |
| 15,887 | 109,889 |
| \$ 16,970 | \$ 190,733 |

State of Illinois

**Combining Statement of Revenues, Expenditures
and Changes in Fund Balances - Nonmajor Special Revenue Funds
Commerce and Economic Opportunity**
For the Year Ended June 30, 2009 (Expressed in Thousands)

| | Supplemental Low Income Energy Assistance Fund | Tourism Promotion Fund | Low Income Home Energy Assistance Block Grant Fund | Intra-Agency Services Fund | Job Training Partnership Fund | Build Illinois Capital Revolving Loan Fund |
|--|--|------------------------------|--|-------------------------------|-------------------------------------|---|
| REVENUES | | | | | | |
| Public utility taxes | \$ 88,734 | | | | | |
| Federal government | | | \$ 220,696 | | \$ 171,870 | |
| Interest and other investment income | | | | | 4 | \$ 3,557 |
| Other | | | | | 29 | 28 |
| Total revenues | 88,734 | | 220,696 | | 171,903 | 3,585 |
| EXPENDITURES | | | | | | |
| Current: | | | | | | |
| Health and social services | 89,654 | | 220,695 | | | |
| Employment and economic development | | \$ 32,912 | | \$ 7,217 | 165,444 | 3,087 |
| Capital outlays | | 39 | | 10 | | |
| Total expenditures | 89,654 | 32,951 | 220,695 | 7,227 | 165,444 | 3,087 |
| Excess (deficiency) of revenues over (under) expenditures | (920) | (32,951) | 1 | (7,227) | 6,459 | 498 |
| OTHER SOURCES (USES) OF FINANCIAL RESOURCES | | | | | | |
| Transfers-in | | 37,370 | | 6,756 | | |
| Transfers-out | | (5,000) | (80) | | (4,996) | (2,500) |
| Net other sources (uses) of financial resources | | 32,370 | (80) | 6,756 | (4,996) | (2,500) |
| Net change in fund balances | (920) | (581) | (79) | (471) | 1,463 | (2,002) |
| Fund balances (deficits), July 1, 2008 | 33,000 | 36,282 | (1) | 13,823 | (10,132) | 23,620 |
| FUND BALANCES (DEFICITS), JUNE 30, 2009 | \$ 32,080 | \$ 35,701 | \$ (80) | \$ 13,352 | \$ (8,669) | \$ 21,618 |

| Public Infrastructure Construction Loan Revolving Fund | | Total |
|---|---------|------------|
| | \$ | 88,734 |
| | | 392,566 |
| \$ | 120 | 3,681 |
| | | 57 |
| | 120 | 485,038 |
| | | 310,349 |
| | 2,753 | 211,413 |
| | | 49 |
| | 2,753 | 521,811 |
| | (2,633) | (36,773) |
| | | 44,126 |
| | (1,000) | (13,576) |
| | (1,000) | 30,550 |
| | (3,633) | (6,223) |
| | 19,520 | 116,112 |
| \$ | 15,887 | \$ 109,889 |

*State of Illinois***Combining Balance Sheet - Nonmajor Special Revenue Funds****Natural Resources**

June 30, 2009 (Expressed in Thousands)

| | Wildlife and Fish Fund | Open Space Lands Acquisition and Development Fund | Total |
|---|---------------------------|--|-------------------|
| ASSETS | | | |
| Cash equity with State Treasurer | \$ 25,319 | \$ 74,808 | \$ 100,127 |
| Cash and cash equivalents | 36 | | 36 |
| Securities lending collateral of State Treasurer | 3,195 | | 3,195 |
| Receivables, net | | | |
| Intergovernmental | 3,516 | | 3,516 |
| Other | 1,588 | | 1,588 |
| Due from component units | 4 | | 4 |
| Inventories | 3,126 | | 3,126 |
| Total assets | \$ 36,784 | \$ 74,808 | \$ 111,592 |
| LIABILITIES | | | |
| Accounts payable and accrued liabilities | \$ 3,765 | \$ 33 | \$ 3,798 |
| Intergovernmental payables | 77 | 3 | 80 |
| Due to other funds | 1,240 | 12 | 1,252 |
| Due to component units | 1,444 | | 1,444 |
| Unavailable revenue | 969 | | 969 |
| Obligations under securities lending of State Treasurer | 3,195 | | 3,195 |
| Total liabilities | 10,690 | 48 | 10,738 |
| FUND BALANCES | | | |
| Reserved for inventories | 3,126 | | 3,126 |
| Unreserved: | | | |
| Designated for reappropriated accounts | 50 | 29,186 | 29,236 |
| Undesignated | 22,918 | 45,574 | 68,492 |
| Total fund balances | 26,094 | 74,760 | 100,854 |
| Total liabilities and fund balances | \$ 36,784 | \$ 74,808 | \$ 111,592 |

State of Illinois

**Combining Statement of Revenues, Expenditures
and Changes in Fund Balances - Nonmajor Special Revenue Funds
Natural Resources**

For the Year Ended June 30, 2009 (Expressed in Thousands)

| | Wildlife and Fish Fund | Open Space Lands Acquisition and Development Fund | Total |
|--|---------------------------|--|-------------------|
| REVENUES | | | |
| Other taxes | | \$ 14,351 | \$ 14,351 |
| Federal government | \$ 13,027 | | 13,027 |
| Licenses and fees | 36,706 | | 36,706 |
| Interest and other investment income | 594 | | 594 |
| Other | 3,834 | | 3,834 |
| Total revenues | 54,161 | 14,351 | 68,512 |
| EXPENDITURES | | | |
| Current: | | | |
| Environment and business regulations | 56,519 | 27,117 | 83,636 |
| Capital outlays | 1,332 | | 1,332 |
| Total expenditures | 57,851 | 27,117 | 84,968 |
| Excess (deficiency) of revenues over (under) expenditures | (3,690) | (12,766) | (16,456) |
| Net change in fund balances | (3,690) | (12,766) | (16,456) |
| Fund balances, July 1, 2008 | 28,638 | 87,526 | 116,164 |
| Increase for changes in inventories | 1,146 | | 1,146 |
| FUND BALANCES, JUNE 30, 2009 | \$ 26,094 | \$ 74,760 | \$ 100,854 |

*State of Illinois***Combining Balance Sheet - Nonmajor Special Revenue Funds****Employment Security**

June 30, 2009 (Expressed in Thousands)

| | Title III Social Security and Employment Service Fund | Unemployment Compensation Special Administration Fund | Total |
|--|--|--|------------------|
| ASSETS | | | |
| Cash equity with State Treasurer | \$ 3,622 | \$ 12,569 | \$ 16,191 |
| Cash and cash equivalents | 4 | | 4 |
| Receivables, net | | | |
| Intergovernmental | 28,852 | | 28,852 |
| Other | 1 | 2 | 3 |
| Due from other funds | 18,384 | 1,807 | 20,191 |
| Inventories | 728 | | 728 |
| Total assets | \$ 51,591 | \$ 14,378 | \$ 65,969 |
| LIABILITIES | | | |
| Accounts payable and accrued liabilities | \$ 9,769 | \$ 106 | \$ 9,875 |
| Intergovernmental payables | 351 | | 351 |
| Due to other funds | 13,130 | | 13,130 |
| Total liabilities | 23,250 | 106 | 23,356 |
| FUND BALANCES | | | |
| Reserved for inventories | 728 | | 728 |
| Unreserved | 27,613 | 14,272 | 41,885 |
| Total fund balances | 28,341 | 14,272 | 42,613 |
| Total liabilities and fund balances | \$ 51,591 | \$ 14,378 | \$ 65,969 |

State of Illinois

**Combining Statement of Revenues, Expenditures
and Changes in Fund Balances - Nonmajor Special Revenue Funds
Employment Security**

For the Year Ended June 30, 2009 (Expressed in Thousands)

| | Title III Social Security and Employment Service Fund | Unemployment Compensation Special Administration Fund | Total |
|--|--|---|------------------|
| REVENUES | | | |
| Federal government | \$ 219,464 | | \$ 219,464 |
| Licenses and fees | 19 | | 19 |
| Interest and other investment income | 151 | \$ 66 | 217 |
| Other | 1,435 | | 1,435 |
| Total revenues | <u>221,069</u> | <u>66</u> | <u>221,135</u> |
| EXPENDITURES | | | |
| Current: | | | |
| Employment and economic development | 222,070 | 2,118 | 224,188 |
| Capital outlays | 41 | | 41 |
| Total expenditures | <u>222,111</u> | <u>2,118</u> | <u>224,229</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(1,042)</u> | <u>(2,052)</u> | <u>(3,094)</u> |
| OTHER SOURCES (USES) OF FINANCIAL RESOURCES | | | |
| Transfers-in | 12,014 | 13,207 | 25,221 |
| Transfers-out | | (13,519) | (13,519) |
| Net other sources (uses) of financial resources | <u>12,014</u> | <u>(312)</u> | <u>11,702</u> |
| Net change in fund balances | <u>10,972</u> | <u>(2,364)</u> | <u>8,608</u> |
| Fund balances, July 1, 2008 | 17,656 | 16,636 | 34,292 |
| (Decrease) for changes in inventory | (287) | | (287) |
| FUND BALANCES, JUNE 30, 2009 | <u>\$ 28,341</u> | <u>\$ 14,272</u> | <u>\$ 42,613</u> |

*State of Illinois***Combining Balance Sheet - Nonmajor Special Revenue Funds****Financial and Professional Regulation**

June 30, 2009 (Expressed in Thousands)

| | Real Estate License Administration Fund | Insurance Financial Regulation Fund | Total |
|---|--|--|------------------|
| ASSETS | | | |
| Cash equity with State Treasurer | \$ 26,185 | \$ 4,080 | \$ 30,265 |
| Securities lending collateral of State Treasurer | 3,782 | | 3,782 |
| Other receivables, net | 23 | 16,768 | 16,791 |
| Total assets | \$ 29,990 | \$ 20,848 | \$ 50,838 |
| LIABILITIES | | | |
| Accounts payable and accrued liabilities | \$ 95 | \$ 303 | \$ 398 |
| Intergovernmental payables | 7 | 21 | 28 |
| Due to other funds | 39 | 122 | 161 |
| Unavailable revenue | | 1,667 | 1,667 |
| Obligations under securities lending of State Treasurer | 3,782 | | 3,782 |
| Total liabilities | 3,923 | 2,113 | 6,036 |
| FUND BALANCES | | | |
| Reserved for encumbrances | 3 | 1 | 4 |
| Unreserved | 26,064 | 18,734 | 44,798 |
| Total fund balances | 26,067 | 18,735 | 44,802 |
| Total liabilities and fund balances | \$ 29,990 | \$ 20,848 | \$ 50,838 |

State of Illinois
**Combining Statement of Revenues, Expenditures
and Changes in Fund Balances - Nonmajor Special Revenue Funds
Financial and Professional Regulation**

For the Year Ended June 30, 2009 (Expressed in Thousands)

| | Real Estate License Administration Fund | Insurance Financial Regulation Fund | Total |
|--|--|--|------------------|
| REVENUES | | | |
| Licenses and fees | \$ 7,835 | \$ 21,002 | \$ 28,837 |
| Interest and other investment income | 556 | | 556 |
| Other | | 52 | 52 |
| Total revenues | 8,391 | 21,054 | 29,445 |
| EXPENDITURES | | | |
| Current: | | | |
| Environment and business regulations | 3,319 | 10,135 | 13,454 |
| Total expenditures | 3,319 | 10,135 | 13,454 |
| Excess (deficiency) of revenues over (under) expenditures | 5,072 | 10,919 | 15,991 |
| OTHER (USES) OF FINANCIAL RESOURCES | | | |
| Transfers-out | (1,623) | (18,012) | (19,635) |
| Net other (uses) of financial resources | (1,623) | (18,012) | (19,635) |
| Net change in fund balances | 3,449 | (7,093) | (3,644) |
| Fund balances, July 1, 2008 | 22,618 | 25,828 | 48,446 |
| FUND BALANCES, JUNE 30, 2009 | \$ 26,067 | \$ 18,735 | \$ 44,802 |

State of Illinois

Combining Balance Sheet - Nonmajor Special Revenue Funds

Human Services

June 30, 2009 (Expressed in Thousands)

| | Mental Health Fund | Vocational Rehabilitation Fund | DHS Special Purposes Trust Fund | Early Intervention Services Revolving Fund | USDA Women, Infants and Children Fund | Food Stamp and Commodity Fund |
|---|-----------------------|--------------------------------------|---------------------------------------|--|---|--|
| ASSETS | | | | | | |
| Cash equity with State Treasurer | \$ 35,466 | \$ 17,449 | \$ 15,222 | \$ 659 | \$ 3,709 | |
| Cash and cash equivalents | | | | | 4,202 | |
| Securities lending collateral of State Treasurer | | | | 234 | | |
| Receivables, net | | | | | | |
| Taxes | 271 | | | | | |
| Intergovernmental | 7,249 | 1,771 | 9,824 | 10,402 | | |
| Other | 4,705 | 791 | 1 | 952 | 12,638 | |
| Due from other funds | 1,854 | 2,497 | 130 | 15,597 | 75 | |
| Due from component units | | | 167 | | | |
| Total assets | \$ 49,545 | \$ 22,508 | \$ 25,344 | \$ 27,844 | \$ 20,624 | \$ -- -- |
| LIABILITIES | | | | | | |
| Accounts payable and accrued liabilities | \$ 623 | \$ 11,465 | \$ 9,558 | \$ 25,924 | \$ 12,442 | |
| Intergovernmental payables | 7 | 1,168 | 2,361 | 534 | 2,880 | |
| Due to other funds | 42 | 1,648 | 710 | 52 | 162 | |
| Due to component units | | 370 | 2,477 | 101 | 9 | |
| Unavailable revenue | 6,509 | 1,539 | 1,976 | 191 | | |
| Unearned revenue | | 4,592 | 7,900 | 3,046 | 5,131 | |
| Obligations under securities lending of State Treasurer | | | | 234 | | |
| Total liabilities | 7,181 | 20,782 | 24,982 | 30,082 | 20,624 | |
| FUND BALANCES | | | | | | |
| Unreserved | 42,364 | 1,726 | 362 | (2,238) | | |
| Total fund balances (deficits) | 42,364 | 1,726 | 362 | (2,238) | | |
| Total liabilities and fund balances | \$ 49,545 | \$ 22,508 | \$ 25,344 | \$ 27,844 | \$ 20,624 | \$ -- -- |

Total

| | |
|----|--------|
| \$ | 72,505 |
| | 4,202 |
| | 234 |

| | |
|----|---------|
| | 271 |
| | 29,246 |
| | 19,087 |
| | 20,153 |
| | 167 |
| \$ | 145,865 |

| | |
|----|---------|
| \$ | 60,012 |
| | 6,950 |
| | 2,614 |
| | 2,957 |
| | 10,215 |
| | 20,669 |
| | 234 |
| | 103,651 |

| | |
|----|---------|
| | 42,214 |
| | 42,214 |
| \$ | 145,865 |

State of Illinois

**Combining Statement of Revenues, Expenditures
and Changes in Fund Balances - Nonmajor Special Revenue Funds
Human Services**

For the Year Ended June 30, 2009 (Expressed in Thousands)

| | Mental Health Fund | Vocational Rehabilitation Fund | DHS Special Purposes Trust Fund | Early Intervention Services Revolving Fund | USDA Women, Infants and Children Fund | Food Stamp and Commodity Fund |
|--|-----------------------|--------------------------------------|---------------------------------------|--|---|--|
| REVENUES | | | | | | |
| Other taxes | \$ 1,266 | | | | | |
| Federal government | | \$ 102,333 | \$ 176,472 | \$ 66,255 | \$ 221,580 | \$ 2,114,560 |
| Licenses and fees | | | | 4,152 | | |
| Interest and other investment income | | | | 70 | 2 | |
| Other | 38,848 | 6,965 | 22 | | | |
| Total revenues | 40,114 | 109,298 | 176,494 | 70,477 | 221,582 | 2,114,560 |
| EXPENDITURES | | | | | | |
| Current: | | | | | | |
| Health and social services | 26,584 | 105,792 | 172,598 | 149,176 | 221,582 | 2,114,560 |
| Debt service: | | | | | | |
| Principal | | 19 | | | | |
| Interest | | 1 | | | | |
| Capital outlays | 31 | 360 | | | | |
| Total expenditures | 26,615 | 106,172 | 172,598 | 149,176 | 221,582 | 2,114,560 |
| Excess (deficiency) of revenues over (under) expenditures | 13,499 | 3,126 | 3,896 | (78,699) | -- -- | -- -- |
| OTHER SOURCES (USES) OF FINANCIAL RESOURCES | | | | | | |
| Transfers-in | | 117 | | 79,077 | | |
| Transfers-out | (5,000) | | | (1,000) | | |
| Net other sources (uses) of financial resources | (5,000) | 117 | | 78,077 | | |
| Net change in fund balances | 8,499 | 3,243 | 3,896 | (622) | -- -- | -- -- |
| Fund balances (deficits), July 1, 2008 | 33,865 | (1,517) | (3,534) | (1,616) | | |
| FUND BALANCES (DEFICITS), JUNE 30, 2009 | \$ 42,364 | \$ 1,726 | \$ 362 | \$ (2,238) | \$ -- -- | \$ -- -- |

| |
|--|
| |
| |
| |

| |
|--------------|
| Total |
|--------------|

| | |
|----|-----------|
| \$ | 1,266 |
| | 2,681,200 |
| | 4,152 |
| | 72 |
| | 45,835 |
| | 2,732,525 |
| | |
| | 2,790,292 |
| | 19 |
| | 1 |
| | 391 |
| | 2,790,703 |

| | |
|----|----------|
| | (58,178) |
| | |
| | 79,194 |
| | (6,000) |
| | |
| | 73,194 |
| | |
| | 15,016 |
| | |
| | 27,198 |
| \$ | 42,214 |

State of Illinois

Combining Balance Sheet - Nonmajor Special Revenue Funds

Revenue

June 30, 2009 (Expressed in Thousands)

| | State Gaming Fund | State and Local Sales Tax Reform Fund | County and Mass Transit District Fund | Local Government Tax Fund | Illinois Affordable Housing Trust Fund | Horse Racing Equity Trust Fund |
|--|----------------------|--|---|---------------------------------|---|--------------------------------------|
| ASSETS | | | | | | |
| Cash equity with State Treasurer | \$ 21,919 | \$ 45,655 | \$ 61,744 | \$ 242,458 | \$ 9,506 | \$ 91,129 |
| Securities lending collateral of State Treasurer | | | | | 935 | |
| Receivables, net | | | | | | |
| Taxes | 2,036 | 12,234 | 16,266 | 77,504 | | |
| Other | 5 | | | | 4 | |
| Due from other funds | | | | | 22 | |
| Due from component units | | | | | 340,987 | |
| Total assets | \$ 23,960 | \$ 57,889 | \$ 78,010 | \$ 319,962 | \$ 351,454 | \$ 91,129 |
| LIABILITIES | | | | | | |
| Accounts payable and accrued liabilities | \$ 636 | | | | \$ 6,620 | |
| Intergovernmental payables | 9,333 | \$ 8,565 | \$ 52,265 | \$ 319,962 | | |
| Due to other funds | 13,930 | 49,324 | 25,745 | | | |
| Due to component units | 61 | | | | | |
| Unavailable revenue | | 1,028 | 1,051 | 4,377 | | |
| Unearned revenue | | | | | | |
| Obligations under securities lending of State Treasurer | | | | | 935 | |
| Total liabilities | 23,960 | 58,917 | 79,061 | 324,339 | 7,555 | |
| FUND BALANCES | | | | | | |
| Reserved for: | | | | | | |
| Encumbrances | 228 | | | | | |
| Long-term portion of due from State of Illinois component units | | | | | 340,987 | |
| Unreserved | (228) | (1,028) | (1,051) | (4,377) | 2,912 | \$ 91,129 |
| Total fund balances (deficits) | -- -- | (1,028) | (1,051) | (4,377) | 343,899 | 91,129 |
| Total liabilities and fund balances | \$ 23,960 | \$ 57,889 | \$ 78,010 | \$ 319,962 | \$ 351,454 | \$ 91,129 |

| Local Government Distributive Fund | Personal Property Tax Replacement Fund | Build Illinois Fund | Total |
|---|---|------------------------|----------------------|
| \$ 84,436 | \$ 276,537 18,413 | \$ 12,997 2,795 | \$ 846,381 22,143 |
| | 38,118 | 29,802 | 175,960 |
| | 85 | 13 | 107 |
| 96,228 | 1,398 | 9,450 | 107,098 |
| | | | 340,987 |
| \$ 180,664 | \$ 334,551 | \$ 55,057 | \$ 1,492,676 |
| | | | |
| | \$ 5,440 | \$ 16,906 | \$ 29,602 |
| \$ 180,039 | 306,038 | | 876,202 |
| 625 | 705 | | 90,329 |
| | | | 61 |
| | 3,955 | 1,524 | 11,935 |
| | 121,812 | | 121,812 |
| | 18,413 | 2,795 | 22,143 |
| 180,664 | 456,363 | 21,225 | 1,152,084 |
| | | | |
| 792 | 406 | | 1,426 |
| | | | 340,987 |
| (792) | (122,218) | 33,832 | (1,821) |
| -- -- | (121,812) | 33,832 | 340,592 |
| \$ 180,664 | \$ 334,551 | \$ 55,057 | \$ 1,492,676 |

State of Illinois

**Combining Statement of Revenues, Expenditures
and Changes in Fund Balances - Nonmajor Special Revenue Funds**

Revenue
For the Year Ended June 30, 2009 (Expressed in Thousands)

| | State Gaming Fund | State and Local Sales Tax Reform Fund | County and Mass Transit District Fund | Local Government Tax Fund | Illinois Affordable Housing Trust Fund | Horse Racing Equity Trust Fund |
|--|----------------------|--|---|---------------------------------|---|--------------------------------------|
| REVENUES | | | | | | |
| Income taxes | | | | | | |
| Sales taxes | | \$ 252,789 | \$ 311,242 | \$ 1,523,987 | | |
| Public utility taxes | | | | | | |
| Riverboat taxes | \$ 533,271 | | | | | |
| Other taxes | | | | | \$ 20,501 | \$ 14,640 |
| Licenses and fees | 3,290 | | | | 22 | |
| Interest and other investment income | | | | | 2,158 | |
| Other | | | | | 14,287 | |
| Total revenues | 536,561 | 252,789 | 311,242 | 1,523,987 | 36,968 | 14,640 |
| EXPENDITURES | | | | | | |
| Current: | | | | | | |
| Health and social services | 630 | | | | 4,613 | |
| General government | | 1 | | | 33,531 | |
| Employment and economic development | | | | | | |
| Environment and business regulations | 1,288 | | | | | |
| Intergovernmental | 106,919 | 40,199 | 311,468 | 1,524,789 | | |
| Total expenditures | 108,837 | 40,200 | 311,468 | 1,524,789 | 38,144 | |
| Excess (deficiency) of revenues over (under) expenditures | 427,724 | 212,589 | (226) | (802) | (1,176) | 14,640 |
| OTHER SOURCES (USES) OF FINANCIAL RESOURCES | | | | | | |
| Transfers-in | | | | | | |
| Transfers-out | (418,384) | (211,828) | | | (2,000) | |
| Net other sources (uses) of financial resources | (418,384) | (211,828) | | | (2,000) | |
| Net change in fund balances | 9,340 | 761 | (226) | (802) | (3,176) | 14,640 |
| Fund balances (deficits), July 1, 2008 | (9,340) | (1,789) | (825) | (3,575) | 347,075 | 76,489 |
| FUND BALANCES (DEFICITS), JUNE 30, 2009 | \$ -- | \$ (1,028) | \$ (1,051) | \$ (4,377) | \$ 343,899 | \$ 91,129 |

| Local Government Distributive Fund | Personal Property Tax Replacement Fund | Build Illinois Fund | Total |
|---|---|------------------------|--------------|
| | \$ 1,055,994 | | \$ 1,055,994 |
| | 222,169 | \$ 390,777 | 2,478,795 |
| | | | 222,169 |
| | | | 533,271 |
| | | 102,182 | 137,323 |
| | | | 3,312 |
| | 1,617 | 440 | 4,215 |
| | | | 14,287 |
| | 1,279,780 | 493,399 | 4,449,366 |

| | | | |
|--------------|-----------|---------|-----------|
| | | | 5,243 |
| | 51 | | 33,583 |
| | | 30,752 | 30,752 |
| | | | 1,288 |
| \$ 1,205,818 | 1,387,636 | | 4,576,829 |
| 1,205,818 | 1,387,687 | 30,752 | 4,647,695 |
| (1,205,818) | (107,907) | 462,647 | (198,329) |

| | | | |
|-----------|--------------|-----------|-------------|
| 1,210,818 | 1,398 | 39,466 | 1,251,682 |
| (5,000) | | (516,564) | (1,153,776) |
| 1,205,818 | 1,398 | (477,098) | 97,906 |
| -- -- | (106,509) | (14,451) | (100,423) |
| | (15,303) | 48,283 | 441,015 |
| \$ -- -- | \$ (121,812) | \$ 33,832 | \$ 340,592 |

State of Illinois

Combining Balance Sheet - Nonmajor Special Revenue Funds

Transportation

June 30, 2009 (Expressed in Thousands)

| | Motor Fuel Tax Fund | Federal/Local Airport Fund | State Rail Freight Loan Repayment Fund | Public Transportation Fund | Downstate Public Transportation Fund | Total |
|---|------------------------|-------------------------------|---|----------------------------------|---|-------------------|
| ASSETS | | | | | | |
| Cash equity with State Treasurer | \$ 108,958 | \$ 2,817 | \$ 11,859 | \$ 66 | \$ 499 | \$ 124,199 |
| Securities lending collateral of State Treasurer | | | 1,671 | | | 1,671 |
| Receivables, net | | | | | | |
| Taxes | 117,072 | | | | | 117,072 |
| Intergovernmental | | 23,054 | | | | 23,054 |
| Other | 3 | | 8 | | | 11 |
| Due from other funds | | 14 | | 137,913 | 84,032 | 221,959 |
| Loans and notes receivable, net | | | 18,219 | | | 18,219 |
| Total assets | \$ 226,033 | \$ 25,885 | \$ 31,757 | \$ 137,979 | \$ 84,531 | \$ 506,185 |
| LIABILITIES | | | | | | |
| Accounts payable and accrued liabilities | \$ 13,977 | \$ 8,610 | | | | \$ 22,587 |
| Intergovernmental payables | 100,301 | 17,275 | | \$ 137,979 | \$ 7,533 | 263,088 |
| Due to other funds | 102,144 | | | | | 102,144 |
| Unavailable revenue | 9,611 | 15,324 | | | | 24,935 |
| Obligations under securities lending of State Treasurer | | | \$ 1,671 | | | 1,671 |
| Total liabilities | 226,033 | 41,209 | 1,671 | 137,979 | 7,533 | 414,425 |
| FUND BALANCES | | | | | | |
| Reserved for: | | | | | | |
| Encumbrances | 1 | | | | | 1 |
| Long-term portion of loans and notes receivable | | | 18,219 | | | 18,219 |
| Unreserved: | | | | | | |
| Designated for reappropriated accounts | | | 5,698 | | | 5,698 |
| Undesignated | (1) | (15,324) | 6,169 | | 76,998 | 67,842 |
| Total fund balances (deficits) | -- -- | (15,324) | 30,086 | | 76,998 | 91,760 |
| Total liabilities and fund balances | \$ 226,033 | \$ 25,885 | \$ 31,757 | \$ 137,979 | \$ 84,531 | \$ 506,185 |

State of Illinois

**Combining Statement of Revenues, Expenditures
and Changes in Fund Balances - Nonmajor Special Revenue Funds
Transportation**

For the Year Ended June 30, 2009 (Expressed in Thousands)

| | Motor Fuel Tax Fund | Federal/Local Airport Fund | State Rail Freight Loan Repayment Fund | Public Transportation Fund | Downstate Public Transportation Fund | Total |
|--|------------------------|-------------------------------|---|----------------------------------|---|------------------|
| REVENUES | | | | | | |
| Motor fuel taxes | \$ 1,280,486 | | | | | \$ 1,280,486 |
| Other taxes | 5 | | | | | 5 |
| Federal government | 30 | \$ 79,351 | | | | 79,381 |
| Licenses and fees | 698 | | | | | 698 |
| Interest and other investment income | | | \$ 765 | | | 765 |
| Other | | 13,014 | | | | 13,014 |
| Total revenues | 1,281,219 | 92,365 | 765 | | | 1,374,349 |
| EXPENDITURES | | | | | | |
| Current: | | | | | | |
| General government | 82,318 | | | | | 82,318 |
| Transportation | 598,891 | 77,752 | 652 | \$ 397,203 | \$ 128,620 | 1,203,118 |
| Capital outlays | 230 | | | | | 230 |
| Total expenditures | 681,439 | 77,752 | 652 | 397,203 | 128,620 | 1,285,666 |
| Excess (deficiency) of revenues over (under) expenditures | 599,780 | 14,613 | 113 | (397,203) | (128,620) | 88,683 |
| OTHER SOURCES (USES) OF FINANCIAL RESOURCES | | | | | | |
| Transfers-in | | | | 397,203 | 185,742 | 582,945 |
| Transfers-out | (599,780) | (253) | (2,000) | | | (602,033) |
| Net other sources (uses) of financial resources | (599,780) | (253) | (2,000) | 397,203 | 185,742 | (19,088) |
| Net change in fund balances | -- -- | 14,360 | (1,887) | -- -- | 57,122 | 69,595 |
| Fund balances (deficits), July 1, 2008 | | (29,684) | 31,973 | | 19,876 | 22,165 |
| FUND BALANCES (DEFICITS), JUNE 30, 2009 | \$ -- -- | \$ (15,324) | \$ 30,086 | \$ -- -- | \$ 76,998 | \$ 91,760 |

State of Illinois

Combining Balance Sheet - Nonmajor Special Revenue Funds

Other Departments

June 30, 2009 (Expressed in Thousands)

| | Children and Family Services | Illinois Power Agency | Healthcare and Family Services | Public Health | State Police State Police Whistleblower Reward and Protection Fund | Total |
|---|-------------------------------------|--|---|--------------------------------|---|-------------------|
| | DCFS Childrens' Services Fund | Illinois Power Agency Trust Fund | Child Support Administration Fund | Public Health Services Fund | | |
| ASSETS | | | | | | |
| Cash equity with State Treasurer | \$ 22,447 | \$ 26,260 | \$ 43,466 | \$ 1,967 | \$ 27,209 | \$ 121,349 |
| Cash and cash equivalents | 292 | | | | | 292 |
| Securities lending collateral of State Treasurer | | 3,733 | | | | 3,733 |
| Receivables, net | | | | | | |
| Intergovernmental | 81,623 | | 17,760 | 20,108 | | 119,491 |
| Other | | 17 | 13,264 | 81 | | 13,362 |
| Due from other funds | 50 | | 3,773 | 1,772 | 65 | 5,660 |
| Inventories | | | | 723 | | 723 |
| Total assets | \$ 104,412 | \$ 30,010 | \$ 78,263 | \$ 24,651 | \$ 27,274 | \$ 264,610 |
| LIABILITIES | | | | | | |
| Accounts payable and accrued liabilities | \$ 26,000 | | \$ 5,569 | \$ 12,331 | \$ 4 | \$ 43,904 |
| Intergovernmental payables | 3,489 | | 21,151 | 8,676 | | 33,316 |
| Due to other funds | 1,138 | | 11,158 | 803 | 408 | 13,507 |
| Due to component units | 4,142 | | | 863 | | 5,005 |
| Unavailable revenue | 67,348 | | 3,248 | 2,260 | | 72,856 |
| Obligations under securities lending of State Treasurer | | \$ 3,733 | | | | 3,733 |
| Total liabilities | 102,117 | 3,733 | 41,126 | 24,933 | 412 | 172,321 |
| FUND BALANCES | | | | | | |
| Reserved for: | | | | | | |
| Encumbrances | 10,147 | | | 1,264 | | 11,411 |
| Inventories | | | | 723 | | 723 |
| Unreserved | (7,852) | 26,277 | 37,137 | (2,269) | 26,862 | 80,155 |
| Total fund balances (deficits) | 2,295 | 26,277 | 37,137 | (282) | 26,862 | 92,289 |
| Total liabilities and fund balances | \$ 104,412 | \$ 30,010 | \$ 78,263 | \$ 24,651 | \$ 27,274 | \$ 264,610 |

State of Illinois

**Combining Statement of Revenues, Expenditures
and Changes in Fund Balances - Nonmajor Special Revenue Funds
Other Departments**

For the Year Ended June 30, 2009 (Expressed in Thousands)

| | Children and Family Services | Illinois Power Agency | Healthcare and Family Services | Public Health | State Police State Police Whistleblower Reward and Protection Fund | Total |
|--|-------------------------------------|--|---|--------------------------------|---|------------------|
| | DCFS Childrens' Services Fund | Illinois Power Agency Trust Fund | Child Support Administration Fund | Public Health Services Fund | | |
| REVENUES | | | | | | |
| Federal government | \$ 362,794 | | \$ 123,797 | \$ 205,467 | | \$ 692,058 |
| Interest and other investment income | | \$ 610 | | | | 610 |
| Other | 2,488 | | 19,643 | 1,238 | \$ 26,544 | 49,913 |
| Total revenues | 365,282 | 610 | 143,440 | 206,705 | 26,544 | 742,581 |
| EXPENDITURES | | | | | | |
| Current: | | | | | | |
| Health and social services | 339,363 | | 176,341 | 207,378 | | 723,082 |
| Public protection and justice | | | | | 2,117 | 2,117 |
| Debt service: | | | | | | |
| Principal | | | | | 179 | 179 |
| Interest | | | | | 21 | 21 |
| Capital outlays | 1,327 | | | 169 | 60 | 1,556 |
| Total expenditures | 340,690 | | 176,341 | 207,547 | 2,377 | 726,955 |
| Excess (deficiency) of revenues over (under) expenditures | 24,592 | 610 | (32,901) | (842) | 24,167 | 15,626 |
| OTHER SOURCES (USES) OF FINANCIAL RESOURCES | | | | | | |
| Transfers-in | | | 38,173 | | | 38,173 |
| Transfers-out | | | (1,000) | | (2,000) | (3,000) |
| Net other sources (uses) of financial resources | | | 37,173 | | (2,000) | 35,173 |
| Net change in fund balances | 24,592 | 610 | 4,272 | (842) | 22,167 | 50,799 |
| Fund balances (deficits), July 1, 2008 | (22,297) | 25,667 | 32,865 | 1,286 | 4,695 | 42,216 |
| (Decrease) for changes in inventories | | | | (726) | | (726) |
| FUND BALANCES (DEFICITS), JUNE 30, 2009 | \$ 2,295 | \$ 26,277 | \$ 37,137 | \$ (282) | \$ 26,862 | \$ 92,289 |

State of Illinois**Combining Balance Sheet - Nonmajor Special Revenue Funds****Illinois Commerce Commission**

June 30, 2009 (Expressed in Thousands)

| | Wireless Service Emergency Fund | Wireless Carrier Reimbursement Fund | Total |
|--|--|---|------------------|
| ASSETS | | | |
| Cash equity with State Treasurer | \$ 23,752 | \$ 14,248 | \$ 38,000 |
| Taxes receivables, net | 2,959 | 749 | 3,708 |
| Total assets | \$ 26,711 | \$ 14,997 | \$ 41,708 |
| LIABILITIES | | | |
| Accounts payable and accrued liabilities | \$ 5 | | \$ 5 |
| Intergovernmental payables | 19,265 | | 19,265 |
| Due to other funds | 5 | | 5 |
| Total liabilities | 19,275 | | 19,275 |
| FUND BALANCES | | | |
| Reserved for encumbrances | 1 | | 1 |
| Unreserved | 7,435 | \$ 14,997 | 22,432 |
| Total fund balances | 7,436 | 14,997 | 22,433 |
| Total liabilities and fund balances | \$ 26,711 | \$ 14,997 | \$ 41,708 |

*State of Illinois***Combining Statement of Revenues, Expenditures
and Changes in Fund Balances - Nonmajor Special Revenue Funds****Illinois Commerce Commission**

For the Year Ended June 30, 2009 (Expressed in Thousands)

| | Wireless Service Emergency Fund | Wireless Carrier Reimbursement Fund | Total |
|--|--|---|------------------|
| REVENUES | | | |
| Public utility taxes | \$ 55,912 | \$ 14,158 | \$ 70,070 |
| Total revenues | <u>55,912</u> | <u>14,158</u> | <u>70,070</u> |
| EXPENDITURES | | | |
| Current: | | | |
| Environment and business regulations | 71,755 | 7,293 | 79,048 |
| Total expenditures | <u>71,755</u> | <u>7,293</u> | <u>79,048</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(15,843)</u> | <u>6,865</u> | <u>(8,978)</u> |
| OTHER SOURCES (USES) OF FINANCIAL RESOURCES | | | |
| Transfers-in | 13,339 | | 13,339 |
| Transfers-out | | (18,339) | (18,339) |
| Net other sources (uses) of financial resources | <u>13,339</u> | <u>(18,339)</u> | <u>(5,000)</u> |
| Net change in fund balances | <u>(2,504)</u> | <u>(11,474)</u> | <u>(13,978)</u> |
| Fund balances, July 1, 2008 | <u>9,940</u> | <u>26,471</u> | <u>36,411</u> |
| FUND BALANCES, JUNE 30, 2009 | <u>\$ 7,436</u> | <u>\$ 14,997</u> | <u>\$ 22,433</u> |

State of Illinois

Combining Balance Sheet - Nonmajor Special Revenue Funds

State Board of Education

June 30, 2009 (Expressed in Thousands)

| | Drivers Education Fund | SBE Federal Department of Agriculture Fund | SBE Federal Department of Education Fund | Total |
|--|------------------------------|---|---|-------------------|
| ASSETS | | | | |
| Cash equity with State Treasurer | \$ 1,094 | \$ 359 | \$ 2,419 | \$ 3,872 |
| Receivables, net | | | | |
| Intergovernmental | 203 | 15,356 | 97,488 | 113,047 |
| Other | 15 | 597 | | 612 |
| Due from other funds | | | 409 | 409 |
| Due from component units | | | 312 | 312 |
| Inventories | | 1,425 | | 1,425 |
| Total assets | \$ 1,312 | \$ 17,737 | \$ 100,628 | \$ 119,677 |
| LIABILITIES | | | | |
| Accounts payable and accrued liabilities | \$ 36 | | \$ 6,703 | \$ 6,739 |
| Intergovernmental payables | 17,930 | \$ 11,613 | 90,108 | 119,651 |
| Due to other funds | | 443 | 2,177 | 2,620 |
| Due to component units | | 30 | 1,158 | 1,188 |
| Unavailable revenue | | 4,045 | | 4,045 |
| Unearned revenue | | | 167 | 167 |
| Total liabilities | 17,966 | 16,131 | 100,313 | 134,410 |
| FUND BALANCES | | | | |
| Reserved for: | | | | |
| Encumbrances | | 197 | | 197 |
| Inventories | | 1,425 | | 1,425 |
| Unreserved | (16,654) | (16) | 315 | (16,355) |
| Total fund balances | (16,654) | 1,606 | 315 | (14,733) |
| Total liabilities and fund balances | \$ 1,312 | \$ 17,737 | \$ 100,628 | \$ 119,677 |

State of Illinois

**Combining Statement of Revenues, Expenditures
and Changes in Fund Balances - Nonmajor Special Revenue Funds
State Board of Education**

For the Year Ended June 30, 2009 (Expressed in Thousands)

| | Drivers Education Fund | SBE Federal Department of Agriculture Fund | SBE Federal Department of Education Fund | Total |
|--|------------------------------|---|---|--------------------|
| REVENUES | | | | |
| Federal government | | \$ 568,499 | \$ 1,449,052 | \$ 2,017,551 |
| Licenses and fees | \$ 11,594 | | | 11,594 |
| Other | 5,975 | 212 | 1,708 | 7,895 |
| Total revenues | 17,569 | 568,711 | 1,450,760 | 2,037,040 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Education | 18,008 | 568,003 | 1,451,461 | 2,037,472 |
| Capital outlays | | 92 | 132 | 224 |
| Total expenditures | 18,008 | 568,095 | 1,451,593 | 2,037,696 |
| Excess (deficiency) of revenues over (under) expenditures | (439) | 616 | (833) | (656) |
| OTHER SOURCES (USES) OF FINANCIAL RESOURCES | | | | |
| Transfers-out | (1,000) | | | (1,000) |
| Capital lease and installment purchase acquisitions | | 71 | 99 | 170 |
| Net other sources (uses) of financial resources | (1,000) | 71 | 99 | (830) |
| Net change in fund balances | (1,439) | 687 | (734) | (1,486) |
| Fund balances (deficits), July 1, 2008 | (15,215) | (62) | 1,049 | (14,228) |
| Increase for changes in inventories | | 981 | | 981 |
| FUND BALANCES, JUNE 30, 2009 | \$ (16,654) | \$ 1,606 | \$ 315 | \$ (14,733) |

*State of Illinois***Combining Balance Sheet - Nonmajor Special Revenue Funds****Office of the State Fire Marshal**

June 30, 2009 (Expressed in Thousands)

| | Fire Prevention Fund | Fire Truck Revolving Loan Fund | Total |
|---|-------------------------|--------------------------------------|------------------|
| ASSETS | | | |
| Cash equity with State Treasurer | \$ 22,766 | \$ 454 | \$ 23,220 |
| Securities lending collateral of State Treasurer | | 527 | 527 |
| Receivables, net | | | |
| Intergovernmental | 10 | | 10 |
| Other | 944 | 5 | 949 |
| Due from other funds | 41 | | 41 |
| Due from component units | 5 | 18,687 | 18,692 |
| Total assets | \$ 23,766 | \$ 19,673 | \$ 43,439 |
| LIABILITIES | | | |
| Accounts payable and accrued liabilities | \$ 1,596 | | \$ 1,596 |
| Intergovernmental payables | 30 | | 30 |
| Due to other funds | 267 | | 267 |
| Due to component units | 76 | | 76 |
| Unavailable revenue | 216 | | 216 |
| Obligations under securities lending of State Treasurer | | \$ 527 | 527 |
| Total liabilities | 2,185 | 527 | 2,712 |
| FUND BALANCES | | | |
| Reserved for encumbrances | 13 | | 13 |
| Unreserved | 21,568 | 19,146 | 40,714 |
| Total fund balances | 21,581 | 19,146 | 40,727 |
| Total liabilities and fund balances | \$ 23,766 | \$ 19,673 | \$ 43,439 |

*State of Illinois***Combining Statement of Revenues, Expenditures
and Changes in Fund Balances - Nonmajor Special Revenue Funds****Office of the State Fire Marshal**

For the Year Ended June 30, 2009 (Expressed in Thousands)

| | Fire Prevention Fund | Fire Truck Revolving Loan Fund | Total |
|--|-------------------------|--------------------------------------|------------------|
| REVENUES | | | |
| Other taxes | \$ 21,314 | | \$ 21,314 |
| Licenses and fees | 4,376 | | 4,376 |
| Interest and other investment income | | \$ 262 | 262 |
| Other | 176 | 18,884 | 19,060 |
| Total revenues | 25,866 | 19,146 | 45,012 |
| EXPENDITURES | | | |
| Current: | | | |
| Health and social services | 887 | | 887 |
| Education | 2,445 | | 2,445 |
| General government | 149 | | 149 |
| Public protection and justice | 18,514 | | 18,514 |
| Capital outlays | 1,091 | | 1,091 |
| Total expenditures | 23,086 | | 23,086 |
| Excess (deficiency) of revenues over (under) expenditures | 2,780 | 19,146 | 21,926 |
| OTHER (USES) OF FINANCIAL RESOURCES | | | |
| Transfers-out | (218) | | (218) |
| Net other (uses) of financial resources | (218) | | (218) |
| Net change in fund balances | 2,562 | 19,146 | 21,708 |
| Fund balances, July 1, 2008 | 19,019 | | 19,019 |
| FUND BALANCES, JUNE 30, 2009 | \$ 21,581 | \$ 19,146 | \$ 40,727 |

State of Illinois

Combining Balance Sheet - Nonmajor Special Revenue Funds

Other Agencies, Boards and Authorities

June 30, 2009 (Expressed in Thousands)

| | Capital Development Board | Criminal Justice Information Authority | Workers' Compensation Commission | Metropolitan Fair and Exposition Authority | |
|---|----------------------------------|---|--|---|-------------------|
| | School Infrastructure Fund | Criminal Justice Trust Fund | Illinois Workers' Compensation Commission Operations Fund | Metropolitan and Exposition Auditorium and Office Building Fund | Total |
| ASSETS | | | | | |
| Cash equity with State Treasurer | \$ 6,724 | \$ 70,541 | \$ 61,971 | \$ 16,871 | \$ 156,107 |
| Securities lending collateral of State Treasurer | | 5,065 | 1,776 | | 6,841 |
| Receivables, net | | | | | |
| Taxes | 726 | | 40,500 | | 41,226 |
| Intergovernmental | | 2,381 | | | 2,381 |
| Other | | 23 | 8 | | 31 |
| Due from other funds | 870 | 273 | | | 1,143 |
| Total assets | \$ 8,320 | \$ 78,283 | \$ 104,255 | \$ 16,871 | \$ 207,729 |
| LIABILITIES | | | | | |
| Accounts payable and accrued liabilities | \$ 3,359 | \$ 168 | \$ 846 | | \$ 4,373 |
| Intergovernmental payables | | 3,279 | 41 | | 3,320 |
| Due to other funds | 7 | 420 | 312 | | 739 |
| Unavailable revenue | 621 | 21 | 40,500 | | 41,142 |
| Unearned revenue | | 69,351 | | | 69,351 |
| Obligations under securities lending of State Treasurer | | 5,065 | 1,776 | | 6,841 |
| Total liabilities | 3,987 | 78,304 | 43,475 | | 125,766 |
| FUND BALANCES | | | | | |
| Reserved for encumbrances | | 3 | 3 | | 6 |
| Unreserved | 4,333 | (24) | 60,777 | \$ 16,871 | 81,957 |
| Total fund balances (deficits) | 4,333 | (21) | 60,780 | 16,871 | 81,963 |
| Total liabilities and fund balances | \$ 8,320 | \$ 78,283 | \$ 104,255 | \$ 16,871 | \$ 207,729 |

State of Illinois

**Combining Statement of Revenues, Expenditures
and Changes in Fund Balances - Nonmajor Special Revenue Funds
Other Agencies, Boards and Authorities**
For the Year Ended June 30, 2009 (Expressed in Thousands)

| | Capital Development Board | Criminal Justice Information Authority | Workers' Compensation Commission | Metropolitan Fair and Exposition Authority | |
|--|----------------------------------|---|--|---|------------------|
| | School Infrastructure Fund | Criminal Justice Trust Fund | Illinois Workers' Compensation Commission Operations Fund | Metropolitan and Exposition Auditorium and Office Building Fund | Total |
| REVENUES | | | | | |
| Public utility taxes | \$ 100,100 | | | | \$ 100,100 |
| Other taxes | 60,000 | | \$ 23,341 | | 83,341 |
| Federal government | | \$ 27,113 | | | 27,113 |
| Interest and other investment income | | 572 | | | 572 |
| Total revenues | 160,100 | 27,685 | 23,341 | | 211,126 |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| Education | 104 | | | | 104 |
| General government | 578 | | | | 578 |
| Public protection and justice | | 27,673 | | | 27,673 |
| Environment and business regulations | | | 19,408 | | 19,408 |
| Debt service: | | | | | |
| Principal | | | 5 | | 5 |
| Interest | | | 1 | | 1 |
| Capital outlays | 10 | 33 | | | 43 |
| Total expenditures | 692 | 27,706 | 19,414 | | 47,812 |
| Excess (deficiency) of revenues over (under) expenditures | 159,408 | (21) | 3,927 | | 163,314 |
| OTHER SOURCES (USES) OF FINANCIAL RESOURCES | | | | | |
| Transfers-in | 60,868 | | | \$ 37,923 | 98,791 |
| Transfers-out | (228,062) | | | (39,248) | (267,310) |
| Net other sources (uses) of financial resources | (167,194) | | | (1,325) | (168,519) |
| Net change in fund balances | (7,786) | (21) | 3,927 | (1,325) | (5,205) |
| Fund balances, July 1, 2008 | 12,119 | | 56,853 | 18,196 | 87,168 |
| FUND BALANCES (DEFICITS), JUNE 30, 2009 | \$ 4,333 | \$ (21) | \$ 60,780 | \$ 16,871 | \$ 81,963 |

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DEBT SERVICE FUNDS

The Debt Service Funds are maintained to account for resources obtained and accumulated to pay interest and principal on general long-term obligations.

SIGNIFICANT NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS DESCRIPTIONS

Treasurer

General Obligation Bond Retirement and Interest Fund--to account for payments of principal and interest related to general obligation bonds. These bonds provide financing for the protection of the environment within the State; the acquisition, construction, reconstruction, extension, and improvement of highways; the acquisition, construction, reconstruction, and improvement of capital projects; the construction of facilities leased back to the State; and the development of mass transportation and aviation systems within the State.

Governor's Office of Management and Budget

Illinois Civic Center Bond Retirement and Interest Fund--to account for the payment of principal and interest upon bonds issued to finance the construction of local civic centers. Funding consists of transfers from the Metropolitan Exposition Auditorium and Office Building Fund and investment income.

Build Illinois Bond Retirement and Interest Fund--to account for the payment of principal and interest upon bonds issued to finance improvements related to existing or planned scientific research, manufacturing, or industrial development or expansion in Illinois. Funding consists of transfers from the Build Illinois Fund and investment income.

State of Illinois

**Combining Balance Sheet
Nonmajor Debt Service Funds**

June 30, 2009 (Expressed in Thousands)

| | Treasurer | | | |
|--|---|---|-----------------|-------------------|
| | General Obligation Bond Retirement and Interest Fund | Governor's Office of Management and Budget | Other | Total |
| ASSETS | | | | |
| Cash equity with State Treasurer | \$ 639,203 | \$ 11,474 | | \$ 650,677 |
| Cash and cash equivalents | 6,559 | 111,082 | \$ 4,980 | 122,621 |
| Securities lending collateral of State Treasurer | 78,680 | 429 | | 79,109 |
| Investments | | 53,221 | | 53,221 |
| Other receivables, net | 364 | 542 | | 906 |
| Due from other funds | 10,028 | | | 10,028 |
| Loans and notes receivable, net | 15,859 | | | 15,859 |
| Total assets | \$ 750,693 | \$ 176,748 | \$ 4,980 | \$ 932,421 |
| LIABILITIES | | | | |
| Due to other funds | \$ 30 | | | \$ 30 |
| Obligations under securities lending of State Treasurer | 78,680 | \$ 429 | | 79,109 |
| Total liabilities | 78,710 | 429 | | 79,139 |
| FUND BALANCES | | | | |
| Reserved for long-term portion of loans and notes receivable | 15,859 | | | 15,859 |
| Unreserved | 656,124 | 176,319 | \$ 4,980 | 837,423 |
| Total fund balances | 671,983 | 176,319 | 4,980 | 853,282 |
| Total liabilities and fund balances | \$ 750,693 | \$ 176,748 | \$ 4,980 | \$ 932,421 |

State of Illinois

**Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Debt Service Funds**

For the Year Ended June 30, 2009 (Expressed in Thousands)

| | Treasurer | | | |
|--|---|---|-----------------|--------------------|
| | General Obligation Bond Retirement and Interest Fund | Governor's Office of Management and Budget | Other | Total |
| REVENUES | | | | |
| Licenses and fees | \$ 176 | | | \$ 176 |
| Interest and other investment income | 13,463 | \$ 6,769 | \$ 23 | 20,255 |
| Other | 7 | | | 7 |
| Total revenues | 13,646 | 6,769 | 23 | 20,438 |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | | 66 | | 66 |
| Employment and economic development | | 21 | | 21 |
| Debt service: | | | | |
| Principal | 760,096 | 160,165 | 4,880 | 925,141 |
| Interest | 979,578 | 118,949 | 3,161 | 1,101,688 |
| Total expenditures | 1,739,674 | 279,201 | 8,041 | 2,026,916 |
| Excess (deficiency) of revenues over (under) expenditures | (1,726,028) | (272,432) | (8,018) | (2,006,478) |
| OTHER SOURCES (USES) OF FINANCIAL RESOURCES | | | | |
| Transfers-in | 3,135,677 | 288,272 | 8,125 | 3,432,074 |
| Transfers-out | (1,407,181) | (31,158) | (449) | (1,438,788) |
| Net other sources (uses) of financial resources | 1,728,496 | 257,114 | 7,676 | 1,993,286 |
| Net change in fund balances | 2,468 | (15,318) | (342) | (13,192) |
| Fund balances, July 1, 2008 | 669,515 | 191,637 | 5,322 | 866,474 |
| FUND BALANCES, JUNE 30, 2009 | \$ 671,983 | \$ 176,319 | \$ 4,980 | \$ 853,282 |

*State of Illinois***Combining Balance Sheet - Nonmajor Debt Service Funds****Governor's Office of Management and Budget**

June 30, 2009 (Expressed in Thousands)

| | Illinois Civic Center Bond Retirement and Interest Fund | Build Illinois Bond Retirement and Interest Fund | Total |
|---|--|---|-------------------|
| ASSETS | | | |
| Cash equity with State Treasurer | \$ 8,457 | \$ 3,017 | \$ 11,474 |
| Cash and cash equivalents | 16,855 | 94,227 | 111,082 |
| Securities lending collateral of State Treasurer | | 429 | 429 |
| Investments | | 53,221 | 53,221 |
| Other receivables, net | 2 | 540 | 542 |
| Total assets | \$ 25,314 | \$ 151,434 | \$ 176,748 |
| LIABILITIES | | | |
| Obligations under securities lending of State Treasurer | | \$ 429 | \$ 429 |
| Total liabilities | | 429 | 429 |
| FUND BALANCES | | | |
| Unreserved | \$ 25,314 | 151,005 | 176,319 |
| Total fund balances | 25,314 | 151,005 | 176,319 |
| Total liabilities and fund balances | \$ 25,314 | \$ 151,434 | \$ 176,748 |

State of Illinois

**Combining Statement of Revenues, Expenditures
and Changes in Fund Balances - Nonmajor Debt Service Funds**

Governor's Office of Management and Budget

For the Year Ended June 30, 2009 (Expressed in Thousands)

| | Illinois Civic Center Bond Retirement and Interest Fund | Build Illinois Bond Retirement and Interest Fund | Total |
|--|--|---|-------------------|
| REVENUES | | | |
| Interest and other investment income | \$ 156 | \$ 6,613 | \$ 6,769 |
| Total revenues | <u>156</u> | <u>6,613</u> | <u>6,769</u> |
| EXPENDITURES | | | |
| Current: | | | |
| General government | | 66 | 66 |
| Employment and economic development | 21 | | 21 |
| Debt service: | | | |
| Principal | 8,100 | 152,065 | 160,165 |
| Interest | 5,750 | 113,199 | 118,949 |
| Total expenditures | <u>13,871</u> | <u>265,330</u> | <u>279,201</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(13,715)</u> | <u>(258,717)</u> | <u>(272,432)</u> |
| OTHER SOURCES (USES) OF FINANCIAL RESOURCES | | | |
| Transfers-in | 14,096 | 274,176 | 288,272 |
| Transfers-out | | (31,158) | (31,158) |
| Net other sources (uses) of financial resources | <u>14,096</u> | <u>243,018</u> | <u>257,114</u> |
| Net change in fund balances | <u>381</u> | <u>(15,699)</u> | <u>(15,318)</u> |
| Fund balances, July 1, 2008 | <u>24,933</u> | <u>166,704</u> | <u>191,637</u> |
| FUND BALANCES, JUNE 30, 2009 | <u>\$ 25,314</u> | <u>\$ 151,005</u> | <u>\$ 176,319</u> |

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CAPITAL PROJECTS FUNDS

The Capital Projects Funds are maintained to account for the acquisition and/or construction of major capital facilities.

SIGNIFICANT NONMAJOR GOVERNMENTAL CAPITAL PROJECTS FUNDS DESCRIPTIONS

Department of Commerce and Economic Opportunity

Coal Development Fund--to account for the financial support of coal research, demonstration, and commercialization activities.

Build Illinois Bond Fund--to account for the proceeds from bond issues of the Build Illinois Bond Program to finance improvements related to scientific research, manufacturing, and industrial development or expansion.

Department of Natural Resources

Conservation 2000 Projects Fund--to account for the proceeds from bond issues to finance natural resources programs.

Department of Transportation

Transportation Bond Series A Fund--to account for the proceeds from bond issues to finance State highway acquisition, construction, reconstruction, extension, and improvements.

Transportation Bond Series B Fund--to account for the proceeds from bond issues used to finance mass transportation and aviation infrastructure including, but not limited to, the acquisition of mass transportation equipment, including rail and bus, and other equipment for counties under the Regional Transportation Authority.

IDOT Capital Projects Fund--to account for local, state, and federal funding for the construction of highways.

Capital Development Board

Capital Development Fund--to account for the proceeds from bond issues to finance capital development projects within the State.

School Construction Fund--to account for the proceeds from bond issues to finance school construction building projects.

CDB Contributory Trust Fund--to account for local, state, and federal funding for the construction and remodeling of buildings and the purchase of land and equipment in connection with the various contributing educational institutions, State departments, and agencies as authorized by law.

Environmental Protection Agency

Anti-Pollution Fund--to account for the proceeds from bond issues to finance environmental programs.

State of Illinois

**Combining Balance Sheet
Nonmajor Capital Projects Funds**

June 30, 2009 (Expressed in Thousands)

| | | Natural Resources | | | Environmental Protection Agency | | | |
|--|-----------------------------------|---------------------------------|----------------|---------------------------|---------------------------------|--------|-----------|--|
| | Commerce and Economic Opportunity | Conservation 2000 Projects Fund | Transportation | Capital Development Board | Anti-Pollution Fund | Other | Total | |
| ASSETS | | | | | | | | |
| Cash equity with State Treasurer | \$ 26,142 | \$ 1,835 | \$ 24,454 | \$ 20,240 | \$ 421 | \$ 150 | \$ 73,242 | |
| Cash and cash equivalents | 127 | | 686 | 3,386 | | 11 | 4,210 | |
| Receivables, net | | | | | | | | |
| Intergovernmental | | | | 285 | | | 285 | |
| Other | | | 10 | | | | 10 | |
| Due from other funds | 1,027 | | 423 | 2,754 | | | 4,204 | |
| Total assets | \$ 27,296 | \$ 1,835 | \$ 25,573 | \$ 26,665 | \$ 421 | \$ 161 | \$ 81,951 | |
| LIABILITIES | | | | | | | | |
| Accounts payable and accrued liabilities | \$ 5,622 | | \$ 16,364 | \$ 27,795 | | | \$ 49,781 | |
| Intergovernmental payables | | | 13,985 | 253 | | | 14,238 | |
| Due to other funds | 170 | | 14 | 76 | | | 260 | |
| Due to component units | | | | 611 | | | 611 | |
| Unavailable revenue | | | 10 | | | | 10 | |
| Unearned revenue | | | | 1,050 | | | 1,050 | |
| Total liabilities | 5,792 | | 30,373 | 29,785 | | | 65,950 | |
| FUND BALANCES | | | | | | | | |
| Reserved for encumbrances | | | | 10 | | | 10 | |
| Unreserved: | | | | | | | | |
| Designated for reappropriated accounts | | | | 421 | | | 421 | |
| Undesignated | 21,504 | \$ 1,835 | (4,800) | (3,551) | \$ 421 | 161 | 15,570 | |
| Total fund balances (deficits) | 21,504 | 1,835 | (4,800) | (3,120) | 421 | 161 | 16,001 | |
| Total liabilities and fund balances | \$ 27,296 | \$ 1,835 | \$ 25,573 | \$ 26,665 | \$ 421 | \$ 161 | \$ 81,951 | |

State of Illinois

**Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Capital Projects Funds**

For the Year Ended June 30, 2009 (Expressed in Thousands)

| | | Natural Resources | | | Environmental Protection Agency | | | |
|--|---|---------------------------------------|----------------|---------------------------------|---------------------------------------|--------|-----------|--|
| | Commerce and Economic Opportunity | Conservation 2000 Projects Fund | Transportation | Capital Development Board | Anti-Pollution Fund | Other | Total | |
| REVENUES | | | | | | | | |
| Federal government | | | | \$ 33,811 | | | \$ 33,811 | |
| Other | \$ 438 | | | 8,425 | | | 8,863 | |
| Total revenues | 438 | | | 42,236 | | | 42,674 | |
| EXPENDITURES | | | | | | | | |
| Current: | | | | | | | | |
| Education | 14,617 | | | 37,408 | | | 52,025 | |
| General government | 562 | | | 15,623 | | | 16,185 | |
| Employment and economic development | 963 | | | 1,931 | | | 2,894 | |
| Transportation | | | \$ 59,845 | | | | 59,845 | |
| Public protection and justice | | | | | | \$ 2 | 2 | |
| Environment and business regulations | 3,738 | \$ 621 | | 4,717 | | | 9,076 | |
| Capital outlays | 1,767 | 10 | 6,511 | 69,270 | | | 77,558 | |
| Total expenditures | 21,647 | 631 | 66,356 | 128,949 | | 2 | 217,585 | |
| Excess (deficiency) of revenues over (under) expenditures | | | | | | | | |
| | (21,209) | (631) | (66,356) | (86,713) | | (2) | (174,911) | |
| OTHER SOURCES (USES) OF FINANCIAL RESOURCES | | | | | | | | |
| General obligation bonds issued | 25,000 | | 60,000 | 65,000 | | | 150,000 | |
| Premiums on general obligation bonds issued | 382 | | 916 | 992 | | | 2,290 | |
| Transfers-in | | | 1,360 | | | | 1,360 | |
| Transfers-out | | | | (9,124) | | | (9,124) | |
| Net other sources (uses) of financial resources | 25,382 | | 62,276 | 56,868 | | | 144,526 | |
| Net change in fund balances | 4,173 | (631) | (4,080) | (29,845) | | (2) | (30,385) | |
| Fund balances, July 1, 2008 | 17,331 | 2,466 | (720) | 26,725 | \$ 421 | 163 | 46,386 | |
| FUND BALANCES (DEFICITS), JUNE 30, 2009 | \$ 21,504 | \$ 1,835 | \$ (4,800) | \$ (3,120) | \$ 421 | \$ 161 | \$ 16,001 | |

*State of Illinois***Combining Balance Sheet - Nonmajor Capital Projects Funds****Commerce and Economic Opportunity**

June 30, 2009 (Expressed in Thousands)

| | Coal Development Fund | Build Illinois Bond Fund | Total |
|--|-----------------------------|-----------------------------|------------------|
| ASSETS | | | |
| Cash equity with State Treasurer | \$ 25,529 | \$ 613 | \$ 26,142 |
| Cash and cash equivalents | | 127 | 127 |
| Due from other funds | | 1,027 | 1,027 |
| Total assets | \$ 25,529 | \$ 1,767 | \$ 27,296 |
| LIABILITIES | | | |
| Accounts payable and accrued liabilities | | \$ 5,622 | \$ 5,622 |
| Due to other funds | \$ 5 | 165 | 170 |
| Total liabilities | 5 | 5,787 | 5,792 |
| FUND BALANCES | | | |
| Unreserved | 25,524 | (4,020) | 21,504 |
| Total fund balances (deficits) | 25,524 | (4,020) | 21,504 |
| Total liabilities and fund balances | \$ 25,529 | \$ 1,767 | \$ 27,296 |

State of Illinois

**Combining Statement of Revenues, Expenditures
and Changes in Fund Balances - Nonmajor Capital Projects Funds
Commerce and Economic Opportunity**
For the Year Ended June 30, 2009 (Expressed in Thousands)

| | Coal Development Fund | Build Illinois Bond Fund | Total |
|--|-----------------------------|-----------------------------|------------------|
| REVENUES | | | |
| Other | | \$ 438 | \$ 438 |
| Total revenues | | <u>438</u> | <u>438</u> |
| EXPENDITURES | | | |
| Current: | | | |
| Education | | 14,617 | 14,617 |
| General government | | 562 | 562 |
| Employment and economic development | \$ 140 | 823 | 963 |
| Environment and business regulations | | 3,738 | 3,738 |
| Capital outlays | | 1,767 | 1,767 |
| Total expenditures | <u>140</u> | <u>21,507</u> | <u>21,647</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(140)</u> | <u>(21,069)</u> | <u>(21,209)</u> |
| OTHER SOURCES (USES) OF FINANCIAL RESOURCES | | | |
| General obligation bonds issued | 25,000 | | 25,000 |
| Premiums on general obligation bonds issued | 382 | | 382 |
| Net other sources (uses) of financial resources | <u>25,382</u> | | <u>25,382</u> |
| Net change in fund balances | <u>25,242</u> | <u>(21,069)</u> | <u>4,173</u> |
| Fund balances, July 1, 2008 | <u>282</u> | <u>17,049</u> | <u>17,331</u> |
| FUND BALANCES (DEFICITS), JUNE 30, 2009 | <u>\$ 25,524</u> | <u>\$ (4,020)</u> | <u>\$ 21,504</u> |

*State of Illinois***Combining Balance Sheet - Nonmajor Capital Projects Funds****Transportation**

June 30, 2009 (Expressed in Thousands)

| | Transportation Bond Series A Fund | Transportation Bond Series B Fund | IDOT Capital Projects Fund | Total |
|--|---|---|-------------------------------|------------------|
| ASSETS | | | | |
| Cash equity with State Treasurer | \$ 9,091 | \$ 15,363 | | \$ 24,454 |
| Cash and cash equivalents | 686 | | | 686 |
| Other receivables, net | 10 | | | 10 |
| Due from other funds | | 5 | \$ 418 | 423 |
| Total assets | \$ 9,787 | \$ 15,368 | \$ 418 | \$ 25,573 |
| LIABILITIES | | | | |
| Accounts payable and accrued liabilities | \$ 12,438 | \$ 3,926 | | \$ 16,364 |
| Intergovernmental payables | | 13,985 | | 13,985 |
| Due to other funds | | 14 | | 14 |
| Unavailable revenue | 10 | | | 10 |
| Total liabilities | 12,448 | 17,925 | | 30,373 |
| FUND BALANCES | | | | |
| Unreserved: | | | | |
| Designated for reappropriated accounts | | | | |
| Undesignated | (2,661) | (2,557) | \$ 418 | (4,800) |
| Total fund balances (deficits) | (2,661) | (2,557) | 418 | (4,800) |
| Total liabilities and fund balances | \$ 9,787 | \$ 15,368 | \$ 418 | \$ 25,573 |

State of Illinois

**Combining Statement of Revenues, Expenditures
and Changes in Fund Balances - Nonmajor Capital Projects Funds
Transportation**

For the Year Ended June 30, 2009 (Expressed in Thousands)

| | Transportation Bond Series A Fund | Transportation Bond Series B Fund | IDOT Capital Projects Fund | Total |
|--|---|---|-------------------------------|-------------------|
| EXPENDITURES | | | | |
| Current: | | | | |
| Transportation | \$ 11,528 | \$ 47,265 | \$ 1,052 | \$ 59,845 |
| Capital outlays | 3,150 | 3,361 | | 6,511 |
| Total expenditures | 14,678 | 50,626 | 1,052 | 66,356 |
| Excess (deficiency) of revenues over (under) expenditures | (14,678) | (50,626) | (1,052) | (66,356) |
| OTHER SOURCES (USES) OF FINANCIAL RESOURCES | | | | |
| General obligation bonds issued | | 60,000 | | 60,000 |
| Premiums on general obligation bonds issued | | 916 | | 916 |
| Transfers-in | | | 1,360 | 1,360 |
| Net other sources (uses) of financial resources | | 60,916 | 1,360 | 62,276 |
| Net change in fund balances | (14,678) | 10,290 | 308 | (4,080) |
| Fund balances, July 1, 2008 | 12,017 | (12,847) | 110 | (720) |
| FUND BALANCES (DEFICITS), JUNE 30, 2009 | \$ (2,661) | \$ (2,557) | \$ 418 | \$ (4,800) |

State of Illinois

Combining Balance Sheet - Nonmajor Capital Projects Funds

Capital Development Board

June 30, 2009 (Expressed in Thousands)

| | Capital Development Fund | School Construction Fund | CDB Contributory Trust Fund | Total |
|--|--------------------------------|--------------------------------|-----------------------------------|------------------|
| ASSETS | | | | |
| Cash equity with State Treasurer | \$ 15,216 | \$ 1,892 | \$ 3,132 | \$ 20,240 |
| Cash and cash equivalents | 3,386 | | | 3,386 |
| Intergovernmental receivables, net | | | 285 | 285 |
| Due from other funds | 1 | | 2,753 | 2,754 |
| Total assets | \$ 18,603 | \$ 1,892 | \$ 6,170 | \$ 26,665 |
| LIABILITIES | | | | |
| Accounts payable and accrued liabilities | \$ 23,146 | | \$ 4,649 | \$ 27,795 |
| Intergovernmental payables | 100 | \$ 12 | 141 | 253 |
| Due to other funds | 42 | | 34 | 76 |
| Due to component units | 425 | | 186 | 611 |
| Unearned revenue | | | 1,050 | 1,050 |
| Total liabilities | 23,713 | 12 | 6,060 | 29,785 |
| FUND BALANCES | | | | |
| Reserved for encumbrances | | | 10 | 10 |
| Unreserved: | | | | |
| Designated for reappropriated accounts | | 421 | | 421 |
| Undesignated | (5,110) | 1,459 | 100 | (3,551) |
| Total fund balances | (5,110) | 1,880 | 110 | (3,120) |
| Total liabilities and fund balances | \$ 18,603 | \$ 1,892 | \$ 6,170 | \$ 26,665 |

State of Illinois

**Combining Statement of Revenues, Expenditures
and Changes in Fund Balances - Nonmajor Capital Projects Funds
Capital Development Board**

For the Year Ended June 30, 2009 (Expressed in Thousands)

| | Capital Development Fund | School Construction Fund | CDB Contributory Trust Fund | Total |
|--|--------------------------------|--------------------------------|-----------------------------------|-------------------|
| REVENUES | | | | |
| Federal government | | | \$ 33,811 | \$ 33,811 |
| Other | \$ 53 | | 8,372 | 8,425 |
| Total revenues | 53 | | 42,183 | 42,236 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Education | 27,475 | \$ 3,407 | 6,526 | 37,408 |
| General government | 15,623 | | | 15,623 |
| Employment and economic development | 1,931 | | | 1,931 |
| Environment and business regulations | 4,717 | | | 4,717 |
| Capital outlays | 40,394 | | 28,876 | 69,270 |
| Total expenditures | 90,140 | 3,407 | 35,402 | 128,949 |
| Excess (deficiency) of revenues over (under) expenditures | (90,087) | (3,407) | 6,781 | (86,713) |
| OTHER SOURCES (USES) OF FINANCIAL RESOURCES | | | | |
| General obligation bonds issued | 65,000 | | | 65,000 |
| Premiums on general obligation bonds issued | 992 | | | 992 |
| Transfers-out | | | (9,124) | (9,124) |
| Net other sources (uses) of financial resources | 65,992 | | (9,124) | 56,868 |
| Net change in fund balances | (24,095) | (3,407) | (2,343) | (29,845) |
| Fund balances, July 1, 2008 | 18,985 | 5,287 | 2,453 | 26,725 |
| FUND BALANCES, JUNE 30, 2009 | \$ (5,110) | \$ 1,880 | \$ 110 | \$ (3,120) |

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ENTERPRISE FUNDS

Enterprise Funds are maintained to account for the operations where the intent of the State is to provide services to the general public in a manner similar to private business enterprises.

SIGNIFICANT NONMAJOR ENTERPRISE FUNDS DESCRIPTIONS

Department of Revenue

State Lottery Fund--to account for all receipts and expenses from the operation of the State Lottery. The net proceeds are transferred to the Common School Account in the General Fund.

Student Assistance Commission

Federal Student Loan Fund--to account for the Federal Family Education Loan Program which funds the repayment of guaranteed loans that have gone into default to lenders.

State of Illinois

Combining Statement of Net Assets

Nonmajor Enterprise Funds

June 30, 2009 (Expressed in Thousands)

| | Revenue | Student Assistance Commission | | |
|---|-----------------------|-------------------------------------|------------------|-------------------|
| | State Lottery Fund | Federal Student Loan Fund | Other | Total |
| ASSETS | | | | |
| Cash equity with State Treasurer | \$ 18,755 | \$ 46,181 | \$ 72,550 | \$ 137,486 |
| Cash and cash equivalents | 3,922 | | 2,423 | 6,345 |
| Securities lending collateral of State Treasurer | | 5,946 | 12,032 | 17,978 |
| Investments | 96 | | 26,679 | 26,775 |
| Receivables, net: | | | | |
| Intergovernmental | | 35,319 | 1,679 | 36,998 |
| Other | 21,731 | 163 | 8,169 | 30,063 |
| Due from other funds | 70,013 | 3,561 | 4,475 | 78,049 |
| Due from component units | | | | |
| Inventories | 448 | | | 448 |
| Prepaid expenses | 78 | | 247 | 325 |
| Total current assets | 115,043 | 91,170 | 128,254 | 334,467 |
| Investments | 870 | | 4,830 | 5,700 |
| Capital assets not being depreciated | | | 190 | 190 |
| Capital assets being depreciated, net | 502 | | 2,673 | 3,175 |
| Total noncurrent assets | 1,372 | | 7,693 | 9,065 |
| Total assets | 116,415 | 91,170 | 135,947 | 343,532 |
| LIABILITIES | | | | |
| Accounts payable and accrued liabilities | 71,772 | 16,236 | 16,481 | 104,489 |
| Intergovernmental payables | 39 | 10,632 | 34 | 10,705 |
| Due to other funds | 4,344 | 2,696 | 4,034 | 11,074 |
| Unearned revenue | 3,027 | | 12,814 | 15,841 |
| Obligations under security lending of State Treasurer | | 5,946 | 12,032 | 17,978 |
| Current portion of long-term obligations | 165 | | 2,739 | 2,904 |
| Total current liabilities | 79,347 | 35,510 | 48,134 | 162,991 |
| Noncurrent portion of long-term obligations | 2,165 | | 11,765 | 13,930 |
| Total liabilities | 81,512 | 35,510 | 59,899 | 176,921 |
| NET ASSETS | | | | |
| Invested in capital assets, net of related debt | 502 | | 2,863 | 3,365 |
| Net assets restricted for education | 34,401 | 55,660 | | 90,061 |
| Unrestricted | | | 73,185 | 73,185 |
| Total net assets | \$ 34,903 | \$ 55,660 | \$ 76,048 | \$ 166,611 |

State of Illinois

**Combining Statement of Revenues, Expenses and
Changes in Net Assets - Nonmajor Enterprise Funds**

For the Year Ended June 30, 2009 (Expressed in Thousands)

| | Revenue | Student Assistance Commission | | |
|---|------------------|-------------------------------------|------------------|-------------------|
| | State Lottery | Federal Student Loan | Other | Total |
| | Fund | Fund | | |
| OPERATING REVENUES | | | | |
| Charges for sales and services | \$ 2,077,166 | \$ 19,756 | \$ 130,846 | \$ 2,227,768 |
| Interest and other investment income | | | 12 | 12 |
| Other | 4,873 | | | 4,873 |
| Total operating revenues | 2,082,039 | 19,756 | 130,858 | 2,232,653 |
| OPERATING EXPENSES | | | | |
| Cost of sales and services | 152,573 | 199,964 | 8,890 | 361,427 |
| Benefit payments and refunds | | | 56,017 | 56,017 |
| Prizes and claims | 1,225,864 | | | 1,225,864 |
| Interest | | | 2 | 2 |
| General and administrative | 65,096 | | 44,878 | 109,974 |
| Depreciation | 184 | | 394 | 578 |
| Other | | | 12,101 | 12,101 |
| Total operating expenses | 1,443,717 | 199,964 | 122,282 | 1,765,963 |
| Operating income (loss) | 638,322 | (180,208) | 8,576 | 466,690 |
| NONOPERATING REVENUES (EXPENSES) | | | | |
| Interest and investment income | 51 | 986 | 3,455 | 4,492 |
| Federal government | | 193,578 | 168 | 193,746 |
| Other expenses | | | (30) | (30) |
| Income (loss) before transfers | 638,373 | 14,356 | 12,169 | 664,898 |
| Contributions of capital assets | | | 10 | 10 |
| Transfers-in | | 3,938 | 19,201 | 23,139 |
| Transfers-out | (634,664) | (19,201) | (30,897) | (684,762) |
| Net income | 3,709 | (907) | 483 | 3,285 |
| Net assets, July 1, 2008 | 31,194 | 56,567 | 75,565 | 163,326 |
| NET ASSETS, JUNE 30, 2009 | \$ 34,903 | \$ 55,660 | \$ 76,048 | \$ 166,611 |

State of Illinois

Combining Statement of Cash Flows

Nonmajor Enterprise Funds

For the Year Ended June 30, 2009 (Expressed in Thousands)

| | Revenue | Student Assistance Commission | | |
|---|--------------------|-------------------------------|------------------|-------------------|
| | State Lottery Fund | Federal Student Loan Fund | Other | Total |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Cash received from sales and services | | \$ 84,337 | \$ 140,910 | \$ 225,247 |
| Cash received from lottery sales (net of \$927,976 cash prizes paid by agents and \$104,571 commissions retained by agents) | \$ 1,039,536 | | | 1,039,536 |
| Cash payments to suppliers for goods and services | | | (65,387) | (65,387) |
| Cash payments to employees for services | (111,853) | | (61,635) | (173,488) |
| Cash payments for lottery prizes | (293,848) | | | (293,848) |
| Cash receipts from other operating activities | 4,873 | | 763 | 5,636 |
| Cash payments for other operating activities | (186) | (264,160) | (36,420) | (300,766) |
| Net cash provided (used) by operating activities | 638,522 | (179,823) | (21,769) | 436,930 |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | |
| Grants received | | 190,169 | 162 | 190,331 |
| Transfers-in from other funds | | 4,026 | 19,268 | 23,294 |
| Transfers-out to other funds | (630,199) | (19,268) | (30,941) | (680,408) |
| Net cash provided (used) by noncapital financing activities | (630,199) | 174,927 | (11,511) | (466,783) |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | |
| Acquisition and construction of capital assets | (306) | | (916) | (1,222) |
| Net cash (used) by capital and related financing activities | (306) | | (916) | (1,222) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Purchase of investment securities | | | (20,274) | (20,274) |
| Proceeds from sales and maturities of investment securities | | | 17,204 | 17,204 |
| Interest and dividends on investments | 51 | 1,043 | 3,395 | 4,489 |
| Net cash provided by investing activities | 51 | 1,043 | 325 | 1,419 |
| Net increase (decrease) in cash and cash equivalents | 8,068 | (3,853) | (33,871) | (29,656) |
| Cash and cash equivalents, July 1, 2008 | 14,609 | 50,034 | 108,844 | 173,487 |
| CASH AND CASH EQUIVALENTS, JUNE 30, 2009 | \$ 22,677 | \$ 46,181 | \$ 74,973 | \$ 143,831 |
| Reconciliation of cash and cash equivalents to the statement of net assets: | | | | |
| Total cash and cash equivalents per statement of net assets | \$ 3,922 | | \$ 2,423 | \$ 6,345 |
| Add: cash equity with State Treasurer | 18,755 | \$ 46,181 | 72,550 | 137,486 |
| CASH AND CASH EQUIVALENTS, JUNE 30, 2009 | \$ 22,677 | \$ 46,181 | \$ 74,973 | \$ 143,831 |

(continued)

State of Illinois

Combining Statement of Cash Flows

Nonmajor Enterprise Funds

For the Year Ended June 30, 2009 (Expressed in Thousands)

(continued)

| | Revenue | Student Assistance Commission | | |
|---|--------------------|-------------------------------|--------------------|-------------------|
| | State Lottery Fund | Federal Student Loan Fund | Other | Total |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities: | | | | |
| OPERATING INCOME (LOSS) | \$ 638,322 | \$ (180,208) | \$ 8,576 | \$ 466,690 |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: | | | | |
| Depreciation | 184 | | 394 | 578 |
| Provision for uncollectible accounts | 1,349 | | | 1,349 |
| Changes in assets and liabilities: | | | | |
| (Increase) decrease in accounts receivable | (6,212) | (33) | 744 | (5,501) |
| (Increase) decrease in intergovernmental receivables | | | 171 | 171 |
| (Increase) decrease in due from other funds | 168 | (11) | (3,144) | (2,987) |
| (Increase) decrease in inventory | (186) | | | (186) |
| (Increase) decrease in prepaid expenses | 26 | | (100) | (74) |
| Increase (decrease) in accounts payable and accrued liabilities | 724 | (4,053) | (27,763) | (31,092) |
| Increase (decrease) in intergovernmental payables | 39 | 3,907 | 31 | 3,977 |
| Increase (decrease) in due to other funds | 3,939 | 575 | (141) | 4,373 |
| Increase (decrease) in due to component units | | | (37) | (37) |
| Increase (decrease) in unearned revenue | 79 | | 414 | 493 |
| Increase (decrease) in other liabilities | 90 | | (914) | (824) |
| Total adjustments | 200 | 385 | (30,345) | (29,760) |
| NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | \$ 638,522 | \$ (179,823) | \$ (21,769) | \$ 436,930 |
| NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES | | | | |
| Loss on disposal of assets | | | \$ (30) | \$ (30) |
| Transfer of assets to/from other state funds | | | \$ (32) | \$ (32) |
| Increase (decrease) in fair value of investments | | | \$ 99 | \$ 99 |

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INTERNAL SERVICE FUNDS

Internal Service Funds are maintained to account for the operations of State agencies which render services to other State agencies or governmental units on a cost-reimbursement basis.

SIGNIFICANT INTERNAL SERVICE FUNDS DESCRIPTIONS

Office of the Auditor General

Audit Expense Fund--to account for the costs in association with conducting audits in accordance with State Auditing Act .

Department of Central Management Services

Statistical Services Revolving Fund--to account for the purchase, maintenance, and operation of electronic data processing and information devices used by State agencies. Revenues consist of charges from the user agencies.

Communications Revolving Fund--to account for the expenses related to telecommunications services for State agencies. Revenues consist of charges from user agencies.

Facilities Management Fund--to account for rental, maintenance, and other expenses related to the use of buildings by State agencies. Revenues consist of charges from user agencies.

Professional Services Fund--to account for the cost of professional services rendered by the Department of Central Management Services on behalf of other agencies. Revenues consist of charges from user agencies.

Workers' Compensation Revolving Fund--to account for workers' compensation expenses of State employees. Revenues consist of charges from the funds which paid the employees during the employees' active service.

Group Insurance Fund--to account for the self-insurance portion of the life insurance plan for State employees, retirees and qualified dependents. This fund records all contributions, appropriations, interest, dividends, and expenses related to the plan.

Department of Corrections

Working Capital Revolving Fund--to account for the income and expenses associated with the production by factories, farms and service programs at several State correctional facilities for use by other State agencies.

Department of Healthcare and Family Services

Health Insurance Reserve Fund--to account for the self-insurance medical and dental plan for State employees, retirees and qualified dependents. This fund records all contributions, appropriations, interest, dividends, and expenses related to the plan.

State of Illinois

Combining Statement of Net Assets

Internal Service Funds

June 30, 2009 (Expressed in Thousands)

| | <u>Auditor General</u> | | <u>Corrections</u> | | <u>Healthcare and Family Services</u> | | | |
|---|---------------------------|------------------------------------|---------------------------------------|--------------------------------------|---------------------------------------|-------------------|--|--|
| | <u>Audit Expense Fund</u> | <u>Central Management Services</u> | <u>Working Capital Revolving Fund</u> | <u>Health Insurance Reserve Fund</u> | <u>Other</u> | <u>Total</u> | | |
| ASSETS | | | | | | | | |
| Cash equity with State Treasurer | \$ 15,516 | \$ 35,913 | \$ 882 | \$ 25,421 | \$ 2,152 | \$ 79,884 | | |
| Cash and cash equivalents | | 3,670 | | 13,880 | | 17,550 | | |
| Securities lending collateral of State Treasurer | | 2,483 | | 8,381 | | 10,864 | | |
| Receivables, net: | | | | | | | | |
| Intergovernmental | 3 | 1,028 | | 10,035 | 34 | 11,100 | | |
| Other | | 6,476 | 758 | 8,787 | 11 | 16,032 | | |
| Due from other funds | 294 | 592,190 | 9,195 | 491,190 | 10,781 | 1,103,650 | | |
| Due from component units | 1,014 | 1,549 | 4 | 15,945 | 5 | 18,517 | | |
| Inventories | | | 10,297 | | 1,570 | 11,867 | | |
| Prepaid expenses | | | 1 | | | 1 | | |
| Total current assets | 16,827 | 643,309 | 21,137 | 573,639 | 14,553 | 1,269,465 | | |
| Capital assets not being depreciated | | 38,369 | | | | 38,369 | | |
| Capital assets being depreciated, net | | 245,112 | 2,763 | 6 | 614 | 248,495 | | |
| Total noncurrent assets | | 283,481 | 2,763 | 6 | 614 | 286,864 | | |
| Total assets | 16,827 | 926,790 | 23,900 | 573,645 | 15,167 | 1,556,329 | | |
| LIABILITIES | | | | | | | | |
| Accounts payable and accrued liabilities | 3,824 | 86,125 | 2,213 | 559,751 | 7,352 | 659,265 | | |
| Intergovernmental payables | | 17,467 | 30 | 10 | 36 | 17,543 | | |
| Due to other funds | 2 | 25,152 | 680 | 137 | 2,252 | 28,223 | | |
| Due to component units | | 1,483 | | | 1 | 1,484 | | |
| Unearned revenue | | 378 | | | 2 | 380 | | |
| Obligations under security lending of State Treasurer | | 2,483 | | 8,381 | | 10,864 | | |
| Current portion of long-term liabilities | | 116,451 | 97 | 5,011 | 366 | 121,925 | | |
| Total current liabilities | 3,826 | 249,539 | 3,020 | 573,290 | 10,009 | 839,684 | | |
| Noncurrent portion of long-term liabilities | | 337,259 | 1,033 | 355 | 1,924 | 340,571 | | |
| Total liabilities | 3,826 | 586,798 | 4,053 | 573,645 | 11,933 | 1,180,255 | | |
| NET ASSETS | | | | | | | | |
| Invested in capital assets, net of related debt | | 239,136 | 2,752 | 6 | (92) | 241,802 | | |
| Restricted for debt service | | 3,670 | | | | 3,670 | | |
| Unrestricted | 13,001 | 97,186 | 17,095 | (6) | 3,326 | 130,602 | | |
| Total net assets | \$ 13,001 | \$ 339,992 | \$ 19,847 | \$ -- | \$ 3,234 | \$ 376,074 | | |

State of Illinois

**Combining Statement of Revenues, Expenses and
Changes in Net Assets - Internal Service Funds**

For the Year Ended June 30, 2009 (Expressed in Thousands)

| | <u>Auditor General</u> | | <u>Corrections</u> | <u>Healthcare and Family Services</u> | | |
|---|-------------------------------|--|---|---|-----------------|-------------------|
| | <u>Audit Expense Fund</u> | <u>Central Management Services</u> | <u>Working Capital Revolving Fund</u> | <u>Health Insurance Reserve Fund</u> | <u>Other</u> | <u>Total</u> |
| OPERATING REVENUES | | | | | | |
| Charges for sales and services | \$ 22,480 | \$ 773,274 | \$ 43,267 | \$ 1,957,224 | \$ 39,727 | \$ 2,835,972 |
| Other | | | | | 33 | 33 |
| Total operating revenues | 22,480 | 773,274 | 43,267 | 1,957,224 | 39,760 | 2,836,005 |
| OPERATING EXPENSES | | | | | | |
| Cost of sales and services | 17,131 | 441,647 | 21,043 | | 33,732 | 513,553 |
| Benefit payments and refunds | | 268,143 | | 1,942,816 | | 2,210,959 |
| General and administrative | | 20,747 | 19,130 | 47,228 | 6,884 | 93,989 |
| Depreciation | | 30,402 | 978 | 6 | 276 | 31,662 |
| Other | | 11,839 | | | 298 | 12,137 |
| Total operating expenses | 17,131 | 772,778 | 41,151 | 1,990,050 | 41,190 | 2,862,300 |
| Operating income (loss) | 5,349 | 496 | 2,116 | (32,826) | (1,430) | (26,295) |
| NONOPERATING REVENUES (EXPENSES) | | | | | | |
| Interest and investment income | | 1,354 | | 1,458 | | 2,812 |
| Interest expense | | (2,203) | (1) | | | (2,204) |
| Federal government | | | | 36,368 | | 36,368 |
| Other revenues | | | 610 | | | 610 |
| Other expenses | | (77) | (18) | | | (95) |
| Income (loss) before contributions and transfers | 5,349 | (430) | 2,707 | 5,000 | (1,430) | 11,196 |
| Contributions of capital assets | | 7,201 | | | 10 | 7,211 |
| Transfers-in | | 449 | | | | 449 |
| Transfers-out | (3,250) | (7,105) | (500) | (5,000) | (1,000) | (16,855) |
| Net income | 2,099 | 115 | 2,207 | -- -- | (2,420) | 2,001 |
| Net assets, July 1, 2008 | 10,902 | 339,877 | 17,640 | | 5,654 | 374,073 |
| NET ASSETS, JUNE 30, 2009 | \$ 13,001 | \$ 339,992 | \$ 19,847 | \$ -- -- | \$ 3,234 | \$ 376,074 |

State of Illinois

**Combining Statement of Cash Flows
Internal Service Funds**

For the Year Ended June 30, 2009 (Expressed in Thousands)

| | Auditor General | | Corrections | Healthcare and Family Services | | |
|--|--------------------------|-----------------------------------|---|-----------------------------------|-----------------|------------------|
| | Audit Expense Fund | Central Management Services | Working Capital Revolving Fund | Health Insurance Reserve Fund | Other | Total |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | | |
| Cash received from sales and services | \$ 2,679 | \$ 11,438 | \$ 11,366 | \$ 113,687 | \$ 579 | \$ 139,749 |
| Cash received from transactions with other funds | 19,963 | 507,054 | 27,051 | 1,515,343 | 38,414 | 2,107,825 |
| Cash payments to suppliers for goods and services | (17,342) | (314,448) | (30,281) | (1,736,347) | (26,624) | (2,125,042) |
| Cash payments to employees for services | (2) | (114,324) | (10,333) | (4,396) | (12,504) | (141,559) |
| Cash payments for workers compensation | | (97,939) | | | | (97,939) |
| Cash receipts from other operating activities | | | 610 | 36,777 | 33 | 37,420 |
| Net cash provided (used) by operating activities | 5,298 | (8,219) | (1,587) | (74,936) | (102) | (79,546) |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | | | |
| Grants received | | | | 34,680 | | 34,680 |
| Transfers-in from other funds | | 449 | | | | 449 |
| Transfers-out to other funds | (3,250) | (7,000) | (500) | (5,000) | (1,000) | (16,750) |
| Net cash provided (used) by noncapital financing activities | (3,250) | (6,551) | (500) | 29,680 | (1,000) | 18,379 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | | | |
| Acquisition and construction of capital assets | | (8,038) | (245) | | (20) | (8,303) |
| Principal paid on capital debt | | (7,498) | (18) | | (263) | (7,779) |
| Interest paid on capital debt | | (2,274) | (1) | | | (2,275) |
| Net cash (used) by capital and related financing activities | | (17,810) | (264) | | (283) | (18,357) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | |
| Interest and dividends on investments | | 1,438 | | 1,535 | | 2,973 |
| Net cash provided by investing activities | | 1,438 | | 1,535 | | 2,973 |
| Net increase (decrease) in cash and cash equivalents | 2,048 | (31,142) | (2,351) | (43,721) | (1,385) | (76,551) |
| Cash and cash equivalents, July 1, 2008 | 13,468 | 70,725 | 3,233 | 83,022 | 3,537 | 173,985 |
| CASH AND CASH EQUIVALENTS, JUNE 30, 2009 | \$ 15,516 | \$ 39,583 | \$ 882 | \$ 39,301 | \$ 2,152 | \$ 97,434 |
| Reconciliation of cash and cash equivalents to the statement of net assets: | | | | | | |
| Total cash and cash equivalents per statement of net assets | | \$ 3,670 | | \$ 13,880 | | \$ 17,550 |
| Add: cash equity with State Treasurer | \$ 15,516 | 35,913 | \$ 882 | 25,421 | \$ 2,152 | 79,884 |
| CASH AND CASH EQUIVALENTS, JUNE 30, 2009 | \$ 15,516 | \$ 39,583 | \$ 882 | \$ 39,301 | \$ 2,152 | \$ 97,434 |

(continued)

State of Illinois

**Combining Statement of Cash Flows
Internal Service Funds**

For the Year Ended June 30, 2009 (Expressed in Thousands)
(continued)

| | Auditor General | | Corrections | | Healthcare and Family Services | | | |
|---|-------------------------------|--|---|--|---|--------------------|--|--|
| | Audit Expense Fund | Central Management Services | Working Capital Revolving Fund | Health Insurance Reserve Fund | Other | Total | | |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities: | | | | | | | | |
| OPERATING INCOME (LOSS) | \$ 5,349 | \$ 496 | \$ 2,116 | \$ (32,826) | \$ (1,430) | \$ (26,295) | | |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: | | | | | | | | |
| Depreciation | | 30,402 | 978 | 6 | 276 | 31,662 | | |
| Provision for uncollectible accounts | | 3 | | | | 3 | | |
| Cash receipts from other nonoperating income | | | 610 | | | 610 | | |
| Changes in assets and liabilities: | | | | | | | | |
| (Increase) decrease in accounts receivable | | (408) | (315) | 1,692 | 5 | 974 | | |
| (Increase) decrease in intergovernmental receivables | (3) | (63) | | | 39 | (27) | | |
| (Increase) decrease in due from other funds | 9 | (259,344) | (4,567) | (320,096) | (803) | (584,801) | | |
| (Increase) decrease in due from component units | 156 | 256 | 25 | (8,097) | 25 | (7,635) | | |
| (Increase) decrease in inventories | | | 218 | | 591 | 809 | | |
| (Increase) decrease in prepaid expenses | | 494 | 5 | | | 499 | | |
| Increase (decrease) in accounts payable and accrued liabilities | (213) | 41,975 | (650) | 284,783 | 365 | 326,260 | | |
| Increase (decrease) in intergovernmental payables | | 2,603 | 30 | 4 | 31 | 2,668 | | |
| Increase (decrease) in due to other funds | | 9,294 | 321 | (410) | 780 | 9,985 | | |
| Increase (decrease) in due to component units | | (981) | (10) | | 1 | (990) | | |
| Increase (decrease) in unearned revenue | | (1,377) | | | | (1,377) | | |
| Increase (decrease) in other liabilities | | 168,431 | (348) | 8 | 18 | 168,109 | | |
| Total adjustments | (51) | (8,715) | (3,703) | (42,110) | 1,328 | (53,251) | | |
| NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | \$ 5,298 | \$ (8,219) | \$ (1,587) | \$ (74,936) | \$ (102) | \$ (79,546) | | |
| NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES | | | | | | | | |
| Cost of installment purchases | \$ | 12,711 | | | \$ 151 | \$ 12,862 | | |
| Loss on disposal of capital assets | \$ | (77) | \$ (18) | | | \$ (95) | | |
| Transfer of assets from other state funds | \$ | 7,096 | | | \$ 10 | \$ 7,106 | | |

State of Illinois

Combining Statement of Net Assets - Internal Service Funds

Central Management Services

June 30, 2009 (Expressed in Thousands)

| | Statistical Services Revolving Fund | Communications Revolving Fund | Facilities Management Fund | Professional Services Fund | Workers' Compensation Revolving Fund | Group Insurance Fund | Total |
|---|--|-------------------------------------|----------------------------------|-------------------------------|---|----------------------------|-------------------|
| ASSETS | | | | | | | |
| Cash equity with State Treasurer | \$ 6,821 | \$ 5,101 | \$ 10,329 | \$ 2,493 | \$ 4,097 | \$ 7,072 | \$ 35,913 |
| Cash and cash equivalents | | | 3,670 | | | | 3,670 |
| Securities lending collateral of | | | | | | | |
| State Treasurer | | | 1,341 | 425 | 717 | | 2,483 |
| Receivables, net: | | | | | | | |
| Intergovernmental | | 1,028 | | | | | 1,028 |
| Other | | 1,900 | 6 | 2 | 3 | 4,565 | 6,476 |
| Due from other funds | 67,327 | 41,916 | 83,686 | 5,036 | 394,207 | 18 | 592,190 |
| Due from component units | 15 | 1,047 | 6 | | | 481 | 1,549 |
| Prepaid expenses | | | | | | | |
| Total current assets | 74,163 | 50,992 | 99,038 | 7,956 | 399,024 | 12,136 | 643,309 |
| Capital assets not being depreciated | | | 38,369 | | | | 38,369 |
| Capital assets being depreciated, net | 15,555 | 20,324 | 209,233 | | | | 245,112 |
| Total noncurrent assets | 15,555 | 20,324 | 247,602 | | | | 283,481 |
| Total assets | 89,718 | 71,316 | 346,640 | 7,956 | 399,024 | 12,136 | 926,790 |
| LIABILITIES | | | | | | | |
| Accounts payable and accrued liabilities | 23,981 | 12,259 | 43,483 | 1,216 | 64 | 5,122 | 86,125 |
| Intergovernmental payables | 10,113 | 5,146 | 2,182 | 22 | 4 | | 17,467 |
| Due to other funds | 16,226 | 570 | 1,050 | 194 | 98 | 7,014 | 25,152 |
| Due to component units | | 72 | 1,411 | | | | 1,483 |
| Unearned revenue | 175 | | 203 | | | | 378 |
| Obligations under security lending of | | | | | | | |
| State Treasurer | | | 1,341 | 425 | 717 | | 2,483 |
| Current portion of long-term liabilities | 3,059 | 2,256 | 2,831 | 43 | 108,262 | | 116,451 |
| Total current liabilities | 53,554 | 20,303 | 52,501 | 1,900 | 109,145 | 12,136 | 249,539 |
| Noncurrent portion of long-term liabilities | 12,703 | 3,053 | 30,741 | 883 | 289,879 | | 337,259 |
| Total liabilities | 66,257 | 23,356 | 83,242 | 2,783 | 399,024 | 12,136 | 586,798 |
| NET ASSETS | | | | | | | |
| Invested in capital assets, net of related debt | 5,822 | 16,509 | 216,805 | | | | 239,136 |
| Restricted for debt service | | | 3,670 | | | | 3,670 |
| Unrestricted | 17,639 | 31,451 | 42,923 | 5,173 | | | 97,186 |
| Total net assets | \$ 23,461 | \$ 47,960 | \$ 263,398 | \$ 5,173 | \$ -- -- | \$ -- -- | \$ 339,992 |

State of Illinois

**Combining Statement of Revenues, Expenses and
Changes in Net Assets - Internal Service Funds
Central Management Services**

For the Year Ended June 30, 2009 (Expressed in Thousands)

| | Statistical Services Revolving Fund | Communications Revolving Fund | Facilities Management Fund | Professional Services Fund | Workers' Compensation Revolving Fund | Group Insurance Fund | Total |
|---|--|-------------------------------------|----------------------------------|-------------------------------|---|----------------------------|-------------------|
| OPERATING REVENUES | | | | | | | |
| Charges for sales and services | \$ 133,417 | \$ 121,337 | \$ 213,463 | \$ 11,831 | \$ 268,623 | \$ 24,603 | \$ 773,274 |
| Total operating revenues | 133,417 | 121,337 | 213,463 | 11,831 | 268,623 | 24,603 | 773,274 |
| OPERATING EXPENSES | | | | | | | |
| Cost of sales and services | 127,741 | 80,068 | 196,661 | 12,214 | | 24,963 | 441,647 |
| Benefit payments and refunds | | | | | 268,143 | | 268,143 |
| General and administrative | 2,308 | 10,022 | 6,850 | 1,508 | | 59 | 20,747 |
| Depreciation | 7,470 | 9,985 | 12,947 | | | | 30,402 |
| Other | | 11,839 | | | | | 11,839 |
| Total operating expenses | 137,519 | 111,914 | 216,458 | 13,722 | 268,143 | 25,022 | 772,778 |
| Operating income (loss) | (4,102) | 9,423 | (2,995) | (1,891) | 480 | (419) | 496 |
| NONOPERATING REVENUES (EXPENSES) | | | | | | | |
| Interest and investment income | | | 272 | 143 | 520 | 419 | 1,354 |
| Interest expense | (237) | (138) | (1,828) | | | | (2,203) |
| Other expenses | (60) | (17) | | | | | (77) |
| Income (loss) before contributions and transfers | (4,399) | 9,268 | (4,551) | (1,748) | 1,000 | -- -- | (430) |
| Contributions of capital assets | 88 | 5 | 7,108 | | | | 7,201 |
| Transfers-in | | | 449 | | | | 449 |
| Transfers-out | (2,088) | (1,017) | (1,000) | (2,000) | (1,000) | | (7,105) |
| Net income (loss) | (6,399) | 8,256 | 2,006 | (3,748) | -- -- | -- -- | 115 |
| Net assets, July 1, 2008 | 29,860 | 39,704 | 261,392 | 8,921 | | | 339,877 |
| NET ASSETS, JUNE 30, 2009 | \$ 23,461 | \$ 47,960 | \$ 263,398 | \$ 5,173 | \$ -- -- | \$ -- -- | \$ 339,992 |

State of Illinois

Combining Statement of Cash Flows - Internal Service Funds

Central Management Services

For the Year Ended June 30, 2009 (Expressed in Thousands)

| | Statistical Services Revolving Fund | Communications Revolving Fund | Facilities Management Fund | Professional Services Fund | Workers' Compensation Revolving Fund | Group Insurance Fund | Total |
|---|--|-------------------------------------|----------------------------------|-------------------------------|---|----------------------------|-------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | | | |
| Cash received from sales and services | | \$ 10,047 | \$ 1,391 | | | | \$ 11,438 |
| Cash received from transactions with other funds | \$ 107,411 | 101,212 | 172,704 | \$ 8,369 | \$ 88,631 | \$ 28,727 | 507,054 |
| Cash payments to suppliers for goods and services | (41,980) | (89,838) | (146,111) | (3,833) | (1,851) | (30,835) | (314,448) |
| Cash payments to employees for services | (60,708) | (14,850) | (29,156) | (9,598) | (12) | | (114,324) |
| Cash payments for workers compensation | | | | | (97,939) | | (97,939) |
| Net cash provided (used) by operating activities | 4,723 | 6,571 | (1,172) | (5,062) | (11,171) | (2,108) | (8,219) |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | | | | |
| Transfers-in from other funds | | | 449 | | | | 449 |
| Transfers-out to other funds | (2,000) | (1,000) | (1,000) | (2,000) | (1,000) | | (7,000) |
| Net cash (used) by noncapital financing activities | (2,000) | (1,000) | (551) | (2,000) | (1,000) | -- | (6,551) |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | | | | |
| Acquisition and construction of capital assets | (2,218) | (5,799) | (21) | | | | (8,038) |
| Principal paid on bond maturities and equipment contracts | (2,650) | (2,262) | (2,586) | | | | (7,498) |
| Interest paid on bond maturities and equipment contracts | (237) | (138) | (1,899) | | | | (2,274) |
| Net cash (used) by capital and related financing activities | (5,105) | (8,199) | (4,506) | | | | (17,810) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | |
| Interest and dividends on investments | | | 296 | 157 | 545 | 440 | 1,438 |
| Net cash provided by investing activities | | | 296 | 157 | 545 | 440 | 1,438 |
| Net increase (decrease) in cash and cash equivalents | (2,382) | (2,628) | (5,933) | (6,905) | (11,626) | (1,668) | (31,142) |
| Cash and cash equivalents, July 1, 2008 | 9,203 | 7,729 | 19,932 | 9,398 | 15,723 | 8,740 | 70,725 |
| CASH AND CASH EQUIVALENTS, JUNE 30, 2009 | \$ 6,821 | \$ 5,101 | \$ 13,999 | \$ 2,493 | \$ 4,097 | \$ 7,072 | \$ 39,583 |
| Reconciliation of cash and cash equivalents to the statement of net assets: | | | | | | | |
| Total cash and cash equivalents per statement of net assets | | | \$ 3,670 | | | | \$ 3,670 |
| Add: cash equity with State Treasurer | \$ 6,821 | \$ 5,101 | 10,329 | \$ 2,493 | \$ 4,097 | \$ 7,072 | 35,913 |
| CASH AND CASH EQUIVALENTS, JUNE 30, 2009 | \$ 6,821 | \$ 5,101 | \$ 13,999 | \$ 2,493 | \$ 4,097 | \$ 7,072 | \$ 39,583 |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities: | | | | | | | |
| OPERATING INCOME (LOSS) | \$ (4,102) | \$ 9,423 | \$ (2,995) | \$ (1,891) | \$ 480 | \$ (419) | \$ 496 |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: | | | | | | | |
| Depreciation | 7,470 | 9,985 | 12,947 | | | | 30,402 |
| Provision for uncollectible accounts | | 3 | | | | | 3 |
| Changes in assets and liabilities: | | | | | | | |
| (Increase) decrease in accounts receivable | | (303) | 18 | | | (123) | (408) |
| (Increase) decrease in intergovernmental receivables | | (63) | | | | | (63) |
| (Increase) decrease in due from other funds | (26,330) | (11,683) | (37,865) | (3,462) | (179,992) | (12) | (259,344) |
| (Increase) decrease in due from component units | 8 | 403 | (1) | | | (154) | 256 |
| (Increase) decrease in prepaid expenses | 494 | | | | | | 494 |
| Increase (decrease) in accounts payable and accrued liabilities | 16,980 | (2,815) | 27,919 | (45) | 19 | (83) | 41,975 |
| Increase (decrease) in intergovernmental payables | 298 | 1,601 | 690 | 18 | (4) | | 2,603 |
| Increase (decrease) in due to other funds | 9,910 | (57) | 579 | 117 | 62 | (1,317) | 9,294 |
| Increase (decrease) in due to component units | | (16) | (964) | | (1) | | (981) |
| Increase (decrease) in unearned revenue | 143 | | (1,520) | | | | (1,377) |
| Increase (decrease) in other liabilities | (148) | 93 | 20 | 201 | 168,265 | | 168,431 |
| Total adjustments | 8,825 | (2,852) | 1,823 | (3,171) | (11,651) | (1,689) | (8,715) |
| NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | \$ 4,723 | \$ 6,571 | \$ (1,172) | \$ (5,062) | \$ (11,171) | \$ (2,108) | \$ (8,219) |
| NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES | | | | | | | |
| Cost of installment purchases | \$ 10,284 | \$ 2,427 | | | | | \$ 12,711 |
| Loss on disposal of capital assets | \$ (60) | \$ (17) | | | | | \$ (77) |
| Transfer of assets from other state funds | | \$ (12) | \$ 7,108 | | | | \$ 7,096 |

PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUNDS

The Pension (and Other Employee Benefit) Trust Funds are maintained to account for the resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans, defined contribution plans and other employee benefit plans.

PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUNDS DESCRIPTIONS

Department of Central Management Services

Deferred Compensation Plan--to account for the assets held in the State's Internal Revenue Code Section 457 Plan. All employees of the State are eligible to voluntarily elect to contribute a portion of their compensation to the Plan through payroll deductions.

Department of Healthcare and Family Services

Teacher Health Insurance Security-- to provide health benefits for the Teachers' Retirement System recipient and dependent beneficiaries. Premiums are collected from retired and active teachers and the insurance plan is administered by private companies.

Community College Health Insurance Security--to provide health benefits for the retirees of community colleges in the State of Illinois and dependent beneficiaries. Premiums are collected from retired and active teachers and the insurance plan is administered by private companies.

General Assembly Retirement System, Judges' Retirement System, State Employees' Retirement System, Teachers' Retirement System and State Universities Retirement System

See Note 16 on page 117 for description of retirement systems.

State of Illinois

**Combining Statement of Fiduciary Net Assets
Pension (and Other Employee Benefit) Trust Funds**

June 30, 2009 (Expressed in Thousands)

| | Central Management Services | Healthcare and Family Services | | | | |
|---|-----------------------------------|---|--|---|---------------------------------|---|
| | Deferred Compensation Plan | Teacher Health Insurance Security | Community College Health Insurance Security | General Assembly Retirement System | Judges' Retirement System | State Employees' Retirement System |
| ASSETS | | | | | | |
| Cash equity with State Treasurer | \$ 4,338 | \$ 68,254 | \$ 3,927 | \$ 3,706 | \$ 17,991 | \$ 232,679 |
| Cash and cash equivalents | 4,898 | 5,637 | 137 | | | |
| Investments: | | | | | | |
| Equities | 1,439,457 | | | | | |
| Fixed income | 261,981 | | | | | |
| Private equity | | | | | | |
| Real estate | | | | | | |
| Other | 683,569 | | | | | |
| Equity in Illinois State | | | | | | |
| Board of Investments | | | | 47,694 | 435,605 | 8,200,756 |
| Securities lending collateral | | | | | | |
| Receivables, net: | | | | | | |
| Members | | 5,031 | 218 | 85 | 263 | 8,938 |
| Employers | | 3,773 | 218 | | | |
| Investment income | 338 | 39 | 3 | 3 | 13 | 164 |
| Intergovernmental | | 6,175 | 570 | | | |
| Pending investment sales | | | | | | |
| Other | 402 | 4,905 | 425 | 3 | 47 | 12,750 |
| Due from other funds | | | | | 56 | 10 |
| Due from primary government funds | | | | 3,686 | 24,993 | 35,573 |
| Due from component units | | | | | | |
| Prepaid expenses | | | | | | |
| Capital assets not being depreciated | | | | | | 905 |
| Capital assets being depreciated, net | | | | 2 | 3 | 1,670 |
| Total assets | 2,394,983 | 93,814 | 5,498 | 55,179 | 478,971 | 8,493,445 |
| LIABILITIES | | | | | | |
| Accounts payable and accrued liabilities | 1,413 | 38,947 | 4,026 | 9 | 41 | 4,702 |
| Intergovernmental payables | 1 | 2 | 1 | | | |
| Due to other funds | | | | 58 | 8 | |
| Due to primary government funds | 57 | 184 | 18 | | | 10,046 |
| Security lending collateral | | | | | | |
| Payable to brokers for unsettled trades | | | | | | |
| Long term obligations: | | | | | | |
| Due within one year | | 1 | | | | 13 |
| Due subsequent to one year | 98 | 77 | 7 | 20 | 46 | 832 |
| Total liabilities | 1,569 | 39,211 | 4,052 | 87 | 95 | 15,593 |
| NET ASSETS HELD IN TRUST FOR PENSION AND OTHER EMPLOYEE BENEFITS | | | | | | |
| | \$ 2,393,414 | \$ 54,603 | \$ 1,446 | \$ 55,092 | \$ 478,876 | \$ 8,477,852 |

| State Universities Retirement System | | | |
|--------------------------------------|-----------------|----------------------|---------------|
| Teachers' Retirement System | Defined Benefit | Defined Contribution | Total |
| \$ 3,849 | | | \$ 334,744 |
| 46,440 | \$ 543,659 | | 600,771 |
| 13,519,470 | 6,940,178 | \$ 292,443 | 22,191,548 |
| 6,369,526 | 3,539,783 | 101,886 | 10,273,176 |
| 2,344,035 | | | 2,344,035 |
| 3,380,826 | 228,712 | 1,336 | 3,610,874 |
| 3,301,055 | 133,053 | 175,045 | 4,292,722 |
| | | | 8,684,055 |
| 4,251,859 | 1,323,036 | | 5,574,895 |
| 79,702 | 10,624 | 1,736 | 106,597 |
| 17,360 | 2,010 | 1,149 | 24,510 |
| 163,986 | 39,454 | | 204,000 |
| | | | 6,745 |
| 1,863,139 | 486,093 | | 2,349,232 |
| | 599 | | 19,131 |
| | | | 66 |
| | 37 | | 64,289 |
| | 1,411 | | 1,411 |
| 6,532 | | | 6,532 |
| 238 | 532 | | 1,675 |
| 3,470 | 6,052 | | 11,197 |
| 35,351,487 | 13,255,233 | 573,595 | 60,702,205 |
| | | | |
| 108,638 | 20,050 | | 177,826 |
| | | | 4 |
| | | | 66 |
| 22 | | | 10,327 |
| 4,251,859 | 1,323,036 | | 5,574,895 |
| 2,491,734 | 878,089 | | 3,369,823 |
| | 30 | | 44 |
| 1,505 | 1,055 | | 3,640 |
| 6,853,758 | 2,222,260 | | 9,136,625 |
| | | | |
| \$ 28,497,729 | \$ 11,032,973 | \$ 573,595 | \$ 51,565,580 |

State of Illinois

**Combining Statement of Changes in Fiduciary Net Assets
Pension (and Other Employee Benefit) Trust Funds**

For the Year Ended June 30, 2009 (Expressed in Thousands)

| | Central Management Services | Healthcare and Family Services | | General Assembly Retirement System | Judges' Retirement System | State Employees' Retirement System |
|---|-----------------------------------|---|--|---|---------------------------------|---|
| | Deferred Compensation Plan | Teacher Health Insurance Security | Community College Health Insurance Security | | | |
| ADDITIONS | | | | | | |
| Contributions: | | | | | | |
| Employer State | | \$ 66,312 | \$ 3,646 | | | |
| | | 75,474 | 3,916 | \$ 8,856 | \$ 59,983 | \$ 774,910 |
| Members: | | | | | | |
| Employees | \$ 167,148 | 88,416 | 3,646 | 1,698 | 15,763 | 242,228 |
| Retirees | | 148,726 | 12,528 | | | |
| Federal Medicare Part D | | 22,285 | 2,011 | | | |
| Other | 2,755 | 220 | 2 | | | |
| Total contributions | 169,903 | 401,433 | 25,749 | 10,554 | 75,746 | 1,017,138 |
| Investment income: | | | | | | |
| Interest and other investment income | 61,915 | 1,388 | 150 | 1,722 | 14,689 | 271,054 |
| Net (decrease) in fair value of investments | (498,975) | | | (16,141) | (135,287) | (2,441,041) |
| Reimbursements of expenses not separable from investment income | 1,923 | | | | | |
| | (433) | | | (243) | (2,119) | (38,911) |
| Less investment expense | | | | | | |
| Net investment income | (435,570) | 1,388 | 150 | (14,662) | (122,717) | (2,208,898) |
| Total additions | (265,667) | 402,821 | 25,899 | (4,108) | (46,971) | (1,191,760) |
| DEDUCTIONS | | | | | | |
| Benefit payments | 130,510 | 408,243 | 31,158 | 15,857 | 85,819 | 1,300,214 |
| Refunds | 97 | | | 72 | 449 | 14,859 |
| Depreciation | | | | | 1 | 245 |
| General and administration | 3,356 | 2,220 | 627 | 277 | 565 | 10,436 |
| Total deductions | 133,963 | 410,463 | 31,785 | 16,206 | 86,834 | 1,325,754 |
| Change in fiduciary net assets held in trust for pension and other employee benefits | (399,630) | (7,642) | (5,886) | (20,314) | (133,805) | (2,517,514) |
| Net assets held in trust for pension and other employee benefits, July 1, 2008 | 2,793,044 | 62,245 | 7,332 | 75,406 | 612,681 | 10,995,366 |
| NET ASSETS HELD IN TRUST FOR PENSION AND OTHER EMPLOYEE BENEFITS, JUNE 30, 2009 | \$ 2,393,414 | \$ 54,603 | \$ 1,446 | \$ 55,092 | \$ 478,876 | \$ 8,477,852 |

| State Universities Retirement System | | | |
|--------------------------------------|-----------------|----------------------|---------------|
| Teachers' Retirement System | Defined Benefit | Defined Contribution | Total |
| \$ 151,716 | \$ 34,360 | \$ 5,306 | \$ 261,340 |
| 1,449,889 | 417,257 | 32,959 | 2,823,244 |
| 876,182 | 273,292 | 48,825 | 1,717,198 |
| | | | 161,254 |
| | | | 24,296 |
| 2,316 | | | 5,293 |
| 2,480,103 | 724,909 | 87,090 | 4,992,625 |
| 977,281 | 355,772 | | 1,683,971 |
| (9,453,114) | (3,173,708) | (116,423) | (15,834,689) |
| | | | 1,923 |
| (212,453) | (32,761) | | (286,920) |
| (8,688,286) | (2,850,697) | (116,423) | (14,435,715) |
| (6,208,183) | (2,125,788) | (29,333) | (9,443,090) |
| 3,653,714 | 1,371,990 | 4,736 | 7,002,241 |
| 53,709 | 42,652 | 8,721 | 120,559 |
| 482 | 878 | | 1,606 |
| 16,906 | 12,044 | | 46,431 |
| 3,724,811 | 1,427,564 | 13,457 | 7,170,837 |
| (9,932,994) | (3,553,352) | (42,790) | (16,613,927) |
| 38,430,723 | 14,586,325 | 616,385 | 68,179,507 |
| \$ 28,497,729 | \$ 11,032,973 | \$ 573,595 | \$ 51,565,580 |

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INVESTMENT TRUST FUNDS

Investment Trust Funds are maintained to account for the external portion of investment pools (the portion that belongs to legally separate entities that are not part of the sponsoring government's financial reporting entity).

INVESTMENT TRUST FUNDS DESCRIPTIONS

Treasurer

Public Treasurers' External Investment Pool Fund--to enhance the investment opportunities available to custodians of public agency funds throughout the State of Illinois. The pool operates as an open-ended mutual fund.

Department of Revenue

Deferred Prize Winners' Trust Fund--to hold the proceeds of investments that will be paid to Illinois State Lottery prize winners. Investment contracts are executed by the State Treasurer with the Director of the Department of Revenue's approval in a manner which ensures the timely payment to prize winners.

Combining Statement of Fiduciary Net Assets

Investment Trust Funds

June 30, 2009 (Expressed in Thousands)

| | Treasurer | Revenue | |
|--|---------------------|-------------------|---------------------|
| | Public | | |
| | Treasurers' | | |
| | External | | |
| | Investment | Deferred Prize | |
| | Pool | Winners' Trust | |
| | Fund | Fund | Total |
| ASSETS | | | |
| Cash equity with State Treasurer | | \$ 2,099 | \$ 2,099 |
| Cash and cash equivalents | \$ 4,249,700 | | 4,249,700 |
| Fixed income investments | 372,519 | 485,425 | 857,944 |
| Investment income receivables, net | 449 | | 449 |
| Total assets | 4,622,668 | 487,524 | 5,110,192 |
| LIABILITIES | | | |
| Accounts payable and accrued liabilities | 163 | | 163 |
| Due to primary government funds | 292 | 168 | 460 |
| Other liabilities | | 1,931 | 1,931 |
| Total liabilities | 455 | 2,099 | 2,554 |
| NET ASSETS HELD IN TRUST FOR | | | |
| POOL PARTICIPANTS | \$ 4,622,213 | \$ 485,425 | \$ 5,107,638 |

Combining Statement of Changes in Fiduciary Net Assets Investment Trust Funds

For the Year Ended June 30, 2009 (Expressed in Thousands)

| | Treasurer | Revenue | |
|--|--|--|---------------------|
| | Public Treasurers' External Investment Pool Fund | Deferred Prize Winners' Trust Fund | Total |
| ADDITIONS | | | |
| Investment income: | | | |
| Interest and other investment income | \$ 54,394 | \$ 30,288 | \$ 84,682 |
| Net increase in fair value of investments | | 958 | 958 |
| Less investment expense | (4,477) | | (4,477) |
| Net investment income | 49,917 | 31,246 | 81,163 |
| Capital share and individual account transactions: | | | |
| Shares sold | 6,225,092 | 15,327 | 6,240,419 |
| Reinvested distributions | 49,917 | | 49,917 |
| Shares redeemed | (7,315,372) | (130,651) | (7,446,023) |
| Net capital share and individual account transactions | (1,040,363) | (115,324) | (1,155,687) |
| Total additions | (990,446) | (84,078) | (1,074,524) |
| DEDUCTIONS | | | |
| Distribution to pool investors | 49,917 | | 49,917 |
| Total deductions | 49,917 | | 49,917 |
| Change in net assets held in trust for pool participants | (1,040,363) | (84,078) | (1,124,441) |
| Net assets held in trust for pool participants, July 1, 2008 | 5,662,576 | 569,503 | 6,232,079 |
| NET ASSETS HELD IN TRUST FOR POOL PARTICIPANTS, JUNE 30, 2009 | \$ 4,622,213 | \$ 485,425 | \$ 5,107,638 |

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PRIVATE-PURPOSE TRUST FUNDS

Private-Purpose Trust Funds are maintained to account for resources legally held in trust for use by individuals, private organizations and other governments. There is no requirement that any portion of these resources be preserved as capital.

SIGNIFICANT PRIVATE-PURPOSE TRUST FUND DESCRIPTIONS

Treasurer

College Savings Pool Fund--to account for assets held by the Bright Start College Savings Program, a qualified State tuition program under Section 529 of the Internal Revenue Code. The program provides an opportunity for investors to invest on a tax-favored basis toward the qualified higher education expenses of a designated beneficiary associated with attending an institution of higher education.

State of Illinois**Combining Statement of Fiduciary Net Assets****Private-Purpose Trust Funds**

June 30, 2009 (Expressed in Thousands)

| | Treasurer | | |
|--|--|--------------|------------------|
| | College Savings Pool Fund | Other | Total |
| ASSETS | | | |
| Cash equity with State Treasurer | | \$ 1,201 | \$ 1,201 |
| Cash and cash equivalents | \$ 116,527 | 32 | 116,559 |
| Investments: | | | |
| Equities | 2,375,375 | 179 | 2,375,554 |
| Fixed income | | 137 | 137 |
| Receivables, net | | | |
| Investment income | 6,906 | 1 | 6,907 |
| Other | | 4 | 4 |
| Loans and notes receivable, net | | 82 | 82 |
| Total assets | 2,498,808 | 1,636 | 2,500,444 |
| LIABILITIES | | | |
| Accounts payable and accrued liabilities | 536 | 4 | 540 |
| Other liabilities | 4,394 | | 4,394 |
| Total liabilities | 4,930 | 4 | 4,934 |
| NET ASSETS | | | |
| Net assets held in trust for other purposes | \$ 2,493,878 | \$ 1,632 | \$ 2,495,510 |

Combining Statement of Changes in Net Fiduciary Assets

Private-Purpose Trust Funds

For the Year Ended June 30, 2009 (Expressed in Thousands)

| | Treasurer | | |
|--|---------------------------|-----------------|---------------------|
| | College Savings Pool Fund | Other | Total |
| ADDITIONS | | | |
| Contributions: | | | |
| Participants | \$ 2,279,804 | | \$ 2,279,804 |
| Other | | \$ 10 | 10 |
| Total contributions | 2,279,804 | 10 | 2,279,814 |
| Investment income: | | | |
| Interest and other investment income | 34,183 | 33 | 34,216 |
| Net (decrease) in fair value of investments | (654,925) | (59) | (654,984) |
| Net investment income | (620,742) | (26) | (620,768) |
| Total additions | 1,659,062 | (16) | 1,659,046 |
| DEDUCTIONS | | | |
| Payments in accordance with trust agreements | 1,947,069 | | 1,947,069 |
| General and administrative | 8,933 | 13 | 8,946 |
| Total deductions | 1,956,002 | 13 | 1,956,015 |
| Change in net assets held in trust for individuals, organizations, and other governments | (296,940) | (29) | (296,969) |
| Net assets held in trust for individuals, organizations, and other governments, July 1, 2008 | 2,790,818 | 1,661 | 2,792,479 |
| NET ASSETS HELD IN TRUST FOR INDIVIDUALS, ORGANIZATIONS, AND OTHER GOVERNMENTS, JUNE 30, 2009 | \$ 2,493,878 | \$ 1,632 | \$ 2,495,510 |

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AGENCY FUNDS

Agency funds are maintained to account for resources held by the State in a purely custodial capacity.

SIGNIFICANT AGENCY FUNDS DESCRIPTIONS

Department of Financial and Professional Regulation

Security Deposit Fund--to hold securities on deposit by domestic and certain foreign domiciled insurance companies in the State for protection of all policyholders, policy obligations, and creditors of the companies.

Department of Healthcare and Family Services

Child Support Enforcement Trust Administrative Fund--to account for collections for child support payments on behalf of non-TANF child support clients to the appropriate non-TANF recipient.

Department of Revenue

Home Rule Municipal Retailers Occupation Tax Fund--to receive and record monies collected from a tax imposed upon all persons, in such municipality, in the business of selling tangible personal property.

Home Rule County Retailers Occupation Tax Fund--to receive and record monies collected from a tax imposed upon all persons, in such county, in the business of selling tangible personal property.

Municipal Telecommunications Fund--to receive monies collected under the Simplified Municipal Telecommunications Act to be paid to the municipalities who imposed the tax under the Act.

RTA Sales Tax Trust Fund--to receive and record deposits of the RTA Sales Tax.

State of Illinois

Combining Statement of Fiduciary Net Assets

Agency Funds

June 30, 2009 (Expressed in Thousands)

| | Financial and Professional Regulation | Healthcare and Family Services Child Support Enforcement Trust Administrative | Revenue | Other | Total |
|---|---|---|-------------------|-------------------|---------------------|
| | Security Deposit Fund | Fund | | | |
| ASSETS | | | | | |
| Cash equity with State Treasurer | | \$ 14,854 | \$ 393,912 | \$ 89,452 | \$ 498,218 |
| Cash and cash equivalents | \$ 3,380 | 227 | | 50,029 | 53,636 |
| Securities lending collateral of State Treasurer | | | 35,937 | 8,329 | 44,266 |
| Investments | 872,827 | | | 33,661 | 906,488 |
| Receivables, net | | | | | |
| Taxes | | | 103,784 | 24,106 | 127,890 |
| Intergovernmental | | | | 318 | 318 |
| Other | | 217,914 | 166 | 1,712 | 219,792 |
| Due from primary government funds | | | 35,528 | 4,020 | 39,548 |
| Other assets | | | | 186 | 186 |
| Total assets | \$ 876,207 | \$ 232,995 | \$ 569,327 | \$ 211,813 | \$ 1,890,342 |
| LIABILITIES | | | | | |
| Accounts payable and accrued liabilities | | \$ 17,531 | \$ 7,726 | \$ 17,903 | \$ 43,160 |
| Intergovernmental payables | | | 525,664 | 93,810 | 619,474 |
| Due to component units | | | | 51 | 51 |
| Obligations under securities lending of State Treasurer | | | 35,937 | 8,329 | 44,266 |
| Depository and other liabilities | \$ 876,207 | 215,464 | | 91,720 | 1,183,391 |
| Total liabilities | \$ 876,207 | \$ 232,995 | \$ 569,327 | \$ 211,813 | \$ 1,890,342 |

State of Illinois

**Combining Statement of Changes in Assets and Liabilities
Agency Funds**

For the Year Ended June 30, 2009 (Expressed in Thousands)

| | Balance at July 1, 2008 | Additions | Deletions | Balance at June 30, 2009 |
|---|----------------------------|----------------------|----------------------|-----------------------------|
| Agency/Fund | | | | |
| Financial and Professional Regulation: | | | | |
| Security Deposit Fund | | | | |
| Assets | | | | |
| Cash and cash equivalents | \$ 730 | \$ 27,009 | \$ 24,359 | \$ 3,380 |
| Investments | 851,865 | 266,339 | 245,377 | 872,827 |
| Total assets | \$ 852,595 | \$ 293,348 | \$ 269,736 | \$ 876,207 |
| Liabilities | | | | |
| Depository and other liabilities | \$ 852,595 | \$ 293,348 | \$ 269,736 | \$ 876,207 |
| Total liabilities | \$ 852,595 | \$ 293,348 | \$ 269,736 | \$ 876,207 |
| Healthcare and Family Services: | | | | |
| Child Support Enforcement Trust | | | | |
| Administrative Fund | | | | |
| Assets | | | | |
| Cash equity with State Treasurer | \$ 16,445 | \$ 194,630 | \$ 196,221 | \$ 14,854 |
| Cash and cash equivalents | 274 | 65,584 | 65,631 | 227 |
| Other receivables, net | 199,758 | 212,786 | 194,630 | 217,914 |
| Total assets | \$ 216,477 | \$ 473,000 | \$ 456,482 | \$ 232,995 |
| Liabilities | | | | |
| Accounts payable and accrued liabilities | \$ 17,294 | \$ 47,325 | \$ 47,088 | \$ 17,531 |
| Depository and other liabilities | 199,183 | 231,045 | 214,764 | 215,464 |
| Total liabilities | \$ 216,477 | \$ 278,370 | \$ 261,852 | \$ 232,995 |
| Revenue: | | | | |
| Assets | | | | |
| Cash equity with State Treasurer | \$ 353,578 | \$ 2,699,367 | \$ 2,659,033 | \$ 393,912 |
| Securities lending collateral of State Treasurer | | 757,043 | 721,106 | 35,937 |
| Taxes receivable, net | 115,881 | 2,565,146 | 2,577,243 | 103,784 |
| Other receivables, net | 424 | 6,604 | 6,862 | 166 |
| Due from primary government funds | 30,937 | 119,853 | 115,262 | 35,528 |
| Total assets | \$ 500,820 | \$ 6,148,013 | \$ 6,079,506 | \$ 569,327 |
| Liabilities | | | | |
| Accounts payable and accrued liabilities | \$ 1,556 | \$ 80,659 | \$ 74,489 | \$ 7,726 |
| Intergovernmental payables | 499,264 | 2,610,944 | 2,584,544 | 525,664 |
| Obligations under securities lending of State Treasurer | | 10,222,659 | 10,186,722 | 35,937 |
| Total liabilities | \$ 500,820 | \$ 12,914,262 | \$ 12,845,755 | \$ 569,327 |
| Other: | | | | |
| Assets | | | | |
| Cash equity with State Treasurer | \$ 93,231 | \$ 1,920,178 | \$ 1,923,957 | \$ 89,452 |
| Cash and cash equivalents | 23,997 | 1,161,491 | 1,135,459 | 50,029 |
| Securities lending collateral of State Treasurer | | 175,458 | 167,129 | 8,329 |
| Investments | 36,085 | 6,617 | 9,041 | 33,661 |
| Taxes receivable, net | 26,460 | 541,376 | 543,730 | 24,106 |
| Intergovernmental receivables, net | 431 | 4,800 | 4,913 | 318 |
| Other receivables, net | 1,236 | 19,966 | 19,490 | 1,712 |
| Due from primary government funds | 1,467 | 11,222 | 8,669 | 4,020 |
| Due from component units | 935 | | 935 | -- |
| Other assets | 249 | | 63 | 186 |
| Total assets | \$ 184,091 | \$ 3,841,108 | \$ 3,813,386 | \$ 211,813 |
| Liabilities | | | | |
| Accounts payable and accrued liabilities | \$ 20,987 | \$ 1,196,586 | \$ 1,199,670 | \$ 17,903 |
| Intergovernmental payables | 100,856 | 1,510,653 | 1,517,699 | 93,810 |
| Due to component units | 72 | 409 | 430 | 51 |
| Obligations under securities lending of State Treasurer | | 2,369,271 | 2,360,942 | 8,329 |
| Depository and other liabilities | 62,176 | 352,943 | 323,399 | 91,720 |
| Total liabilities | \$ 184,091 | \$ 5,429,862 | \$ 5,402,140 | \$ 211,813 |

*State of Illinois***Combining Statement of Changes in Assets and Liabilities
Agency Funds**

For the Year Ended June 30, 2009 (Expressed in Thousands)

| | Balance at July 1, 2008 | Additions | Deletions | Balance at June 30, 2009 |
|---|----------------------------|----------------------|----------------------|-----------------------------|
| Total - All Funds | | | | |
| Assets | | | | |
| Cash equity with State Treasurer | \$ 463,254 | \$ 4,814,175 | \$ 4,779,211 | \$ 498,218 |
| Cash and cash equivalents | 25,001 | 1,254,084 | 1,225,449 | 53,636 |
| Securities lending collateral equity with State Treasurer | | 932,501 | 888,235 | 44,266 |
| Investments | 887,950 | 272,956 | 254,418 | 906,488 |
| Taxes receivable, net | 142,341 | 3,106,522 | 3,120,973 | 127,890 |
| Intergovernmental receivables, net | 431 | 4,800 | 4,913 | 318 |
| Other receivables, net | 201,418 | 239,356 | 220,982 | 219,792 |
| Due from primary government funds | 32,404 | 131,075 | 123,931 | 39,548 |
| Due from component units | 935 | | 935 | -- -- |
| Other assets | 249 | | 63 | 186 |
| Total assets | \$ 1,753,983 | \$ 10,755,469 | \$ 10,619,110 | \$ 1,890,342 |
| Liabilities | | | | |
| Accounts payable and accrued liabilities | \$ 39,837 | \$ 1,324,570 | \$ 1,321,247 | \$ 43,160 |
| Intergovernmental payables | 600,120 | 4,121,597 | 4,102,243 | 619,474 |
| Due to component units | 72 | 409 | 430 | 51 |
| Obligations under securities lending of State Treasurer | | 12,591,930 | 12,547,664 | 44,266 |
| Depository and other liabilities | 1,113,954 | 877,336 | 807,899 | 1,183,391 |
| Total liabilities | \$ 1,753,983 | \$ 18,915,842 | \$ 18,779,483 | \$ 1,890,342 |

*State of Illinois***Combining Statement of Fiduciary Net Assets - Agency Funds****Revenue**

June 30, 2009 (Expressed in Thousands)

| | Home Rule Municipal Retailers Occupation Tax Fund | Home Rule County Retailers Occupation Tax Fund | Municipal Telecommunications Fund | RTA Sales Tax Trust Fund | Total |
|---|---|--|---|-----------------------------|-------------------|
| ASSETS | | | | | |
| Cash equity with State Treasurer | \$ 91,813 | \$ 116,796 | \$ 53,044 | \$ 132,259 | \$ 393,912 |
| Securities lending collateral of State Treasurer | 9,241 | 12,817 | | 13,879 | 35,937 |
| Receivables, net | | | | | |
| Taxes | 36,655 | 18,853 | 18,737 | 29,539 | 103,784 |
| Other | 43 | 59 | | 64 | 166 |
| Due from primary government funds | | | 9,783 | 25,745 | 35,528 |
| Total assets | \$ 137,752 | \$ 148,525 | \$ 81,564 | \$ 201,486 | \$ 569,327 |
| LIABILITIES | | | | | |
| Accounts payable and accrued liabilities | \$ 1,165 | | \$ 6,561 | | \$ 7,726 |
| Intergovernmental payables | 127,346 | \$ 135,708 | 75,003 | \$ 187,607 | 525,664 |
| Obligations under securities lending of State Treasurer | 9,241 | 12,817 | | 13,879 | 35,937 |
| Total liabilities | \$ 137,752 | \$ 148,525 | \$ 81,564 | \$ 201,486 | \$ 569,327 |

State of Illinois

Combining Statement of Changes in Assets and Liabilities

Agency Funds - Revenue

For the Year Ended June 30, 2009 (Expressed in Thousands)

| | Balance at July 1, 2008 | Additions | Deletions | Balance at June 30, 2009 |
|---|----------------------------|----------------------|----------------------|-----------------------------|
| Home Rule Municipal Retailers | | | | |
| Occupation Tax Fund | | | | |
| Assets | | | | |
| Cash equity with State Treasurer | \$ 106,776 | \$ 717,127 | \$ 732,090 | \$ 91,813 |
| Securities lending collateral of State Treasurer | | 194,669 | 185,428 | 9,241 |
| Taxes receivable, net | 39,661 | 712,178 | 715,184 | 36,655 |
| Other receivables, net | 155 | 1,831 | 1,943 | 43 |
| Total assets | \$ 146,592 | \$ 1,625,805 | \$ 1,634,645 | \$ 137,752 |
| Liabilities | | | | |
| Accounts payable and accrued liabilities | \$ 1,556 | \$ 549 | \$ 940 | \$ 1,165 |
| Intergovernmental payables | 145,036 | 713,460 | 731,150 | 127,346 |
| Obligations under securities lending of State Treasurer | | 2,628,700 | 2,619,459 | 9,241 |
| Total liabilities | \$ 146,592 | \$ 3,342,709 | \$ 3,351,549 | \$ 137,752 |
| Home Rule County Retailers | | | | |
| Occupation Tax Fund | | | | |
| Assets | | | | |
| Cash equity with State Treasurer | \$ 42,913 | \$ 663,305 | \$ 589,422 | \$ 116,796 |
| Securities lending collateral of State Treasurer | | 270,001 | 257,184 | 12,817 |
| Taxes receivable, net | 17,163 | 663,057 | 661,367 | 18,853 |
| Other receivables, net | 65 | 1,932 | 1,938 | 59 |
| Total assets | \$ 60,141 | \$ 1,598,295 | \$ 1,509,911 | \$ 148,525 |
| Liabilities | | | | |
| Intergovernmental payables | \$ 60,141 | \$ 664,989 | \$ 589,422 | \$ 135,708 |
| Obligations under securities lending of State Treasurer | | 3,645,931 | 3,633,114 | 12,817 |
| Total liabilities | \$ 60,141 | \$ 4,310,920 | \$ 4,222,536 | \$ 148,525 |
| Municipal Telecommunications Fund | | | | |
| Assets | | | | |
| Cash equity with State Treasurer | \$ 49,034 | \$ 300,689 | \$ 296,679 | \$ 53,044 |
| Taxes receivable, net | 24,780 | 294,646 | 300,689 | 18,737 |
| Due from primary government funds | | 9,783 | | 9,783 |
| Total assets | \$ 73,814 | \$ 605,118 | \$ 597,368 | \$ 81,564 |
| Liabilities | | | | |
| Accounts payable and accrued liabilities | | \$ 80,110 | \$ 73,549 | \$ 6,561 |
| Intergovernmental payables | \$ 73,814 | 224,319 | 223,130 | 75,003 |
| Total liabilities | \$ 73,814 | \$ 304,429 | \$ 296,679 | \$ 81,564 |
| RTA Sales Tax Trust Fund | | | | |
| Assets | | | | |
| Cash equity with State Treasurer | \$ 154,855 | \$ 1,018,246 | \$ 1,040,842 | \$ 132,259 |
| Securities lending collateral of State Treasurer | | 292,373 | 278,494 | 13,879 |
| Taxes receivable, net | 34,277 | 895,265 | 900,003 | 29,539 |
| Other receivables, net | 204 | 2,841 | 2,981 | 64 |
| Due from primary government funds | 30,937 | 110,070 | 115,262 | 25,745 |
| Total assets | \$ 220,273 | \$ 2,318,795 | \$ 2,337,582 | \$ 201,486 |
| Liabilities | | | | |
| Intergovernmental payables | \$ 220,273 | \$ 1,008,176 | \$ 1,040,842 | \$ 187,607 |
| Obligations under securities lending of State Treasurer | | 3,948,028 | 3,934,149 | 13,879 |
| Total liabilities | \$ 220,273 | \$ 4,956,204 | \$ 4,974,991 | \$ 201,486 |
| Total - All Funds | | | | |
| Assets | | | | |
| Cash equity with State Treasurer | \$ 353,578 | \$ 2,699,367 | \$ 2,659,033 | \$ 393,912 |
| Securities lending collateral of State Treasurer | | 757,043 | 721,106 | 35,937 |
| Taxes receivable, net | 115,881 | 2,565,146 | 2,577,243 | 103,784 |
| Other receivables, net | 424 | 6,604 | 6,862 | 166 |
| Due from primary government funds | 30,937 | 119,853 | 115,262 | 35,528 |
| Total assets | \$ 500,820 | \$ 6,148,013 | \$ 6,079,506 | \$ 569,327 |
| Liabilities | | | | |
| Accounts payable and accrued liabilities | \$ 1,556 | \$ 80,659 | \$ 74,489 | \$ 7,726 |
| Intergovernmental payables | 499,264 | 2,610,944 | 2,584,544 | 525,664 |
| Obligations under securities lending of State Treasurer | | 10,222,659 | 10,186,722 | 35,937 |
| Total liabilities | \$ 500,820 | \$ 12,914,262 | \$ 12,845,755 | \$ 569,327 |

COMPONENT UNITS

Component Units are legally separate organizations for which the elected officials of the primary government are financially accountable. Component Units also include certain other organizations because of the nature and significance of their relationship with the primary government.

NONMAJOR COMPONENT UNITS DESCRIPTIONS

NONMAJOR AUTHORITIES

Illinois Literacy Foundation--to account for supplemental funds raised from the private sector to promote the Illinois Literacy Foundation.

Illinois Grain Insurance Corporation--to account for monies held to compensate grain producers for losses from the failure of a grain dealer.

Illinois Conservation Foundation--to provide additional funding for the Illinois Department of Natural Resources' conservation programs that either are not receiving adequate State funding or else cannot be implemented because State funding is not available.

Illinois Arts Council Foundation--to further charitable, literary and educational art awareness programs.

The Comprehensive Health Insurance Plan Board--to provide an alternate market for health insurance for eligible Illinois residents having a preexisting health condition.

East St. Louis Financial Advisory Authority--to provide a secure financial basis for and to furnish assistance to the City of East St. Louis.

Illinois Finance Authority--to provide economic development to the public and private institutions in Illinois that create and retain jobs and to improve the quality of life in Illinois by providing access to capital.

Illinois Medical District Commission--to combine the resources of diverse medical institutions to promote low cost medical care in the City of Chicago, accelerate scientific research, improve diagnostic methods and train health care professionals.

Quad Cities Regional Economic Development Authority--to promote and enhance economic development in Rock Island, Henry, Knox, and Mercer counties in northwestern Illinois.

Western Illinois Economic Development Authority--to promote and enhance economic development in Warren, Henderson, Hancock, McDonough, Fulton, Mason, Cass, Schuyler, Brown, Adams, Scott, Morgan, and Pike counties in western Illinois.

Southwestern Illinois Development Authority--to promote and enhance economic development in St. Clair and Madison counties in southwestern Illinois.

Southeastern Illinois Economic Development Authority--to promote and enhance economic development in Fayette, Cumberland, Clark, Effingham, Jasper, Crawford, Marion, Clay, Richland, Lawrence, Jefferson, Wayne, Edwards, Wabash, Hamilton, and White counties and Irvington Township in Washington County in southeastern Illinois.

Upper Illinois River Valley Development Authority--to promote and enhance economic development within the State's Upper Illinois River Valley.

Will-Kankakee Regional Development Authority--to promote and enhance economic development in the counties of Will and Kankakee.

IMSA Fund for Advancement of Education--to benefit, perform the function of and carry out certain charitable, educational, literary and scientific purposes of the Illinois Mathematics and Science Academy.

NONMAJOR UNIVERSITIES

Board of Trustees of Chicago State University--to operate, manage, control and maintain Chicago State University. The Board was created on January 1, 1996 with the dissolution of the Board of Governors of State Colleges and Universities.

Board of Trustees of Eastern Illinois University--to operate, manage, control and maintain Eastern Illinois University. The Board was created on January 1, 1996 with the dissolution of the Board of Governors of State Colleges and Universities.

Board of Trustees of Governors State University--to operate, manage, control and maintain Governors State University. The Board was created on January 1, 1996 with the dissolution of the Board of Governors of State Colleges and Universities.

Board of Trustees of Northeastern Illinois University--to operate, manage, control and maintain Northeastern Illinois University. The Board was created on January 1, 1996 with the dissolution of the Board of Governors of State Colleges and Universities.

Board of Trustees of Western Illinois University--to operate, manage, control and maintain Western Illinois University. The Board was created on January 1, 1996 with the dissolution of the Board of Governors of State Colleges and Universities.

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State of Illinois

Combining Statement of Net Assets

Component Units - Other Authorities

June 30, 2009 (Expressed in Thousands)

| | Illinois Literacy Foundation | Illinois Grain Insurance Corporation | Illinois Conservation Foundation | Illinois Arts Council Foundation | Comprehensive Health Insurance Plan Board | East St. Louis Financial Advisory Authority | Illinois Finance Authority |
|---|------------------------------------|--|--|--|---|---|----------------------------------|
| ASSETS | | | | | | | |
| Cash and cash equivalents | \$ 32 | \$ 5,264 | \$ 386 | \$ 2 | \$ 63,040 | \$ 181 | \$ 31,449 |
| Investments | | | 2,426 | 77 | | 6,484 | 5,463 |
| Receivables, net: | | | | | | | |
| Intergovernmental | | | 24 | | 611 | | |
| Other | | 968 | 53 | | 2,156 | 11 | 299 |
| Due from component units | | | | | | | 47,818 |
| Due from primary government | | 26 | | | | 6 | 86,722 |
| Prepaid expenses | | | 7 | | 3 | | 58 |
| Unamortized bond issuance costs | | | | | | | 572 |
| Loans and notes receivable, net | | | | | | | 28,431 |
| Restricted assets: | | | | | | | |
| Cash equity with State Treasurer | | | | | | | 17,457 |
| Cash and cash equivalents | | | | | | | 17,022 |
| Investments | | | | | | | 117,462 |
| Other receivables, net | | | | | | | 2,129 |
| Loans and notes receivable, net | | | | | | | 69,317 |
| Capital assets not being depreciated | | | | | | | |
| Capital assets being depreciated, net | | | | | 58 | | 99 |
| Total assets | 32 | 6,258 | 2,896 | 79 | 65,868 | 6,682 | 424,298 |
| LIABILITIES | | | | | | | |
| Accounts payable and accrued liabilities | | | 137 | | 2,347 | 6 | 5,776 |
| Due to component units | | | | | | | |
| Due to primary government | | | | | 7 | | 20,921 |
| Unearned revenue | | | 13 | | 16,022 | | 610 |
| Short-term notes payable | | | | | | | |
| Other liabilities | | | | | 27,257 | | |
| Long-term obligations: | | | | | | | |
| Due within one year | | | | | 31 | 1 | 25,417 |
| Due subsequent to one year | | | | | 265 | 12 | 282,502 |
| Total liabilities | | | 150 | | 45,929 | 19 | 335,226 |
| NET ASSETS | | | | | | | |
| Invested in capital assets, net of related debt | | | | | 58 | | 99 |
| Restricted for: | | | | | | | |
| Debt service | | | | | | | 3,264 |
| Nonexpendable purposes | | | 46 | | | | 20,918 |
| Other purposes | | 6,258 | 1,609 | | 19,881 | | |
| Unrestricted | 32 | | 1,091 | 79 | | 6,663 | 64,791 |
| Total net assets | \$ 32 | \$ 6,258 | \$ 2,746 | \$ 79 | \$ 19,939 | \$ 6,663 | \$ 89,072 |

| Illinois Medical District Commission | Quad Cities Regional Economic Development Authority | Western Illinois Economic Development Authority | Southwestern Illinois Development Authority | Southeastern Illinois Economic Development Authority | Upper Illinois River Valley Development Authority | Will-Kankakee Regional Development Authority | IMSA Fund for Advancement of Education | Total |
|--|---|---|--|--|--|---|--|------------|
| \$ 1,933 | | \$ 73 | \$ 3,134 | \$ 1 | \$ 39 | \$ 24 | \$ 742 | \$ 106,300 |
| 2,311 | \$ 95 | 400 | | | 572 | | 2,721 | 20,549 |
| | | | | | | | | 635 |
| 315 | | | 2,864 | | | | 63 | 6,729 |
| 32,607 | | | | | | | | 80,425 |
| 1,423 | | | | | | | 198 | 88,375 |
| 25 | | | 5 | | | | 4 | 102 |
| 706 | | | | | | | | 1,278 |
| | | | 3,091 | | | | | 31,522 |
| | | | | | | | | 17,457 |
| 323 | | | | | | | | 17,345 |
| | | | 192 | | | | | 117,654 |
| | | | | | | | | 2,129 |
| | | | | | | | | 69,317 |
| 41,947 | | | 100 | | | | | 42,047 |
| 14,945 | | | 355 | | | | | 15,457 |
| 96,535 | 95 | 473 | 9,741 | 1 | 611 | 24 | 3,728 | 617,321 |
| | | | | | | | | |
| | | | | | | | | |
| 1,761 | | | 14 | | | | 3 | 10,044 |
| 26,773 | | | | | | | | 26,773 |
| 2 | | | | | | | | 20,930 |
| | | | 2,800 | | | | 9 | 19,454 |
| 2,994 | | | | | | | | 2,994 |
| | | | | | | | | 27,257 |
| | | | | | | | | |
| 700 | | | | | | | | 26,149 |
| 26,721 | | | | | | | | 309,500 |
| 58,951 | | | 2,814 | | | | 12 | 443,101 |
| | | | | | | | | |
| | | | | | | | | |
| 27,678 | | | 455 | | | | | 28,290 |
| | | | | | | | | |
| | | | | | | | | 3,264 |
| | | | | | | | 31 | 20,995 |
| 323 | | | 4,373 | | | | 1,605 | 34,049 |
| 9,583 | 95 | 473 | 2,099 | 1 | 611 | 24 | 2,080 | 87,622 |
| \$ 37,584 | \$ 95 | \$ 473 | \$ 6,927 | \$ 1 | \$ 611 | \$ 24 | \$ 3,716 | \$ 174,220 |

State of Illinois

Combining Statement of Activities
Component Units - Other Authorities

For the Year Ended June 30, 2009 (Expressed in Thousands)

| Functions/Programs | Expenses | Program revenues | | | |
|--|-------------------|----------------------|------------------------------------|----------------------------------|-----------------------|
| | | Charges for services | Operating grants and contributions | Capital grants and contributions | Net (expense) revenue |
| Illinois Literacy Foundation | \$ 272 | | \$ 131 | | \$ (141) |
| Illinois Grain Insurance Corporation | 35 | \$ 1,780 | | | 1,745 |
| Illinois Conservation Foundation | 2,900 | 37 | 1,266 | \$ 830 | (767) |
| Illinois Arts Council Foundation | 21 | | 21 | | -- -- |
| Comprehensive Health Insurance Plan Board | 174,060 | 114,154 | 2,998 | | (56,908) |
| East St. Louis Financial Advisory Authority | 236 | | | | (236) |
| Illinois Finance Authority | 46,730 | 16,819 | | | (29,911) |
| Illinois Medical District Commission | 9,546 | 4,046 | 741 | | (4,759) |
| Quad Cities Regional Economic Development Authority | 45 | 7 | | | (38) |
| Western Illinois Economic Development Authority | | | 473 | | 473 |
| Southwestern Illinois Development Authority | 409 | 220 | 400 | | 211 |
| Southeastern Illinois Economic Development Authority | 197 | | | | (197) |
| Upper Illinois River Valley Development Authority | 211 | 206 | | | (5) |
| Will-Kankakee Regional Development Authority | 33 | 10 | | | (23) |
| IMSA Fund for Advancement of Education | 1,105 | 3 | 900 | | (202) |
| Total | <u>\$ 235,800</u> | <u>\$ 137,282</u> | <u>\$ 6,930</u> | <u>\$ 830</u> | <u>\$ (90,758)</u> |

| General revenues | | | Total general revenues | Change in net assets | Net assets, July 1, 2008 | Net assets, June 30, 2009 |
|---------------------------------|---|------------------|-----------------------------------|---------------------------------|-------------------------------------|--------------------------------------|
| State appropriations | Interest and investment income | Other | | | | |
| \$ 137 | \$ 1 | | \$ 138 | \$ (3) | \$ 35 | \$ 32 |
| 13 | 47 | | 60 | 1,805 | 4,453 | 6,258 |
| 86 | (456) | | (370) | (1,137) | 3,883 | 2,746 |
| | 1 | | 1 | 1 | 78 | 79 |
| 28,985 | 325 | \$ 43,392 | 72,702 | 15,794 | 4,145 | 19,939 |
| 222 | 168 | | 390 | 154 | 6,509 | 6,663 |
| | 6,165 | | 6,165 | (23,746) | 112,818 | 89,072 |
| 102 | 1,525 | | 1,627 | (3,132) | 40,716 | 37,584 |
| | 1 | | 1 | (37) | 132 | 95 |
| | | | | 473 | | 473 |
| | 109 | | 109 | 320 | 6,607 | 6,927 |
| | | | | (197) | 198 | 1 |
| | 8 | | 8 | 3 | 608 | 611 |
| | | | | (23) | 47 | 24 |
| 264 | (546) | | (282) | (484) | 4,200 | 3,716 |
| <u>\$ 29,809</u> | <u>\$ 7,348</u> | <u>\$ 43,392</u> | <u>\$ 80,549</u> | <u>\$ (10,209)</u> | <u>\$ 184,429</u> | <u>\$ 174,220</u> |

State of Illinois

Combining Statement of Net Assets Component Units - Other Universities

June 30, 2009 (Expressed in Thousands)

| | Chicago State University | Eastern Illinois University | Governors State University | Northeastern Illinois University | Western Illinois University |
|--|-----------------------------|--------------------------------|-------------------------------|--|--------------------------------|
| ASSETS | | | | | |
| Cash and cash equivalents | \$ 5,946 | \$ 10,817 | \$ 24,817 | \$ 22,113 | \$ 47,018 |
| Investments | | 1,559 | 826 | 514 | 7,780 |
| Receivables, net: | | | | | |
| Intergovernmental | | | 1,512 | 4,822 | 326 |
| Other | 16,087 | 18,161 | 2,886 | 4,937 | 7,715 |
| Due from component units | | 1 | | | 8 |
| Due from primary government | 855 | 540 | 350 | 1,225 | 5,345 |
| Inventories | 95 | 1,977 | 23 | 13 | 2,580 |
| Prepaid expenses | 529 | 277 | | 571 | 81 |
| Unamortized bond issuance costs | | 453 | 684 | 723 | 845 |
| Loans and notes receivable, net | 1,010 | 6,207 | 3,443 | 2,328 | 1,833 |
| Restricted assets: | | | | | |
| Cash and cash equivalents | 1,237 | 29,740 | 14,919 | 7,321 | 113 |
| Investments | 2,235 | 45,426 | | 4,925 | 19,677 |
| Other receivables | | 67 | | | |
| Other assets | | | | | 1,113 |
| Other assets | | 420 | | 18 | |
| Capital assets not being depreciated | 11,132 | 67,450 | 2,825 | 15,247 | 14,245 |
| Capital assets being depreciated, net | 134,809 | 147,536 | 63,194 | 90,683 | 138,694 |
| Total assets | 173,935 | 330,631 | 115,479 | 155,440 | 247,373 |
| LIABILITIES | | | | | |
| Accounts payable and accrued liabilities | 15,401 | 10,514 | 2,912 | 6,086 | 19,531 |
| Intergovernmental payables | | | 3,061 | 109 | |
| Due to component units | 32 | | | | |
| Due to primary government | 53 | 1,265 | 697 | 141 | 52 |
| Unearned revenue | 1,134 | 3,839 | 4,147 | 4,322 | 5,367 |
| Assets held for others | | 6,900 | | 59 | |
| Short-term notes payable | | 1,516 | | | |
| Other liabilities | | 5,736 | | | 256 |
| Long-term obligations: | | | | | |
| Due within one year | 1,727 | 7,683 | 2,630 | 2,151 | 6,830 |
| Due subsequent to one year | 25,284 | 64,222 | 31,468 | 41,681 | 59,840 |
| Total liabilities | 43,631 | 101,675 | 44,915 | 54,549 | 91,876 |
| NET ASSETS | | | | | |
| Invested in capital assets, net of related debt | 129,770 | 160,911 | 50,755 | 82,812 | 102,664 |
| Restricted for: | | | | | |
| Debt service | | 438 | 805 | 3,063 | |
| Nonexpendable purposes | 1,808 | 33,497 | 1,121 | 2,656 | 12,407 |
| Other expendable purposes | 5,934 | 31,622 | 822 | 6,127 | 7,113 |
| Unrestricted | (7,208) | 2,488 | 17,061 | 6,233 | 33,313 |
| Total net assets | \$ 130,304 | \$ 228,956 | \$ 70,564 | \$ 100,891 | \$ 155,497 |

Total

| | |
|----|-----------|
| \$ | 110,711 |
| | 10,679 |
| | 6,660 |
| | 49,786 |
| | 9 |
| | 8,315 |
| | 4,688 |
| | 1,458 |
| | 2,705 |
| | 14,821 |
| | 53,330 |
| | 72,263 |
| | 67 |
| | 1,113 |
| | 438 |
| | 110,899 |
| | 574,916 |
| | 1,022,858 |
| | |

| | |
|--|---------|
| | 54,444 |
| | 3,170 |
| | 32 |
| | 2,208 |
| | 18,809 |
| | 6,959 |
| | 1,516 |
| | 5,992 |
| | |
| | 21,021 |
| | 222,495 |
| | 336,646 |

| | |
|--|--|
| | |
|--|--|

| | |
|----|---------|
| | 526,912 |
| | |
| | 4,306 |
| | 51,489 |
| | 51,618 |
| | 51,887 |
| \$ | 686,212 |

State of Illinois**Combining Statement of Activities**
Component Units - Other Universities

For the Year Ended June 30, 2009 (Expressed in Thousands)

| Functions/Programs | Expenses | Program revenues | | | Net (expense) revenue |
|----------------------------------|-------------------|------------------------|--|--|-----------------------------|
| | | Charges for service | Operating grants and contributions | Capital grants and contributions | |
| Chicago State University | \$ 132,380 | \$ 35,703 | \$ 32,545 | | \$ (64,132) |
| Eastern Illinois University | 222,039 | 123,008 | 19,923 | \$ 997 | (78,111) |
| Governors State University | 82,948 | 37,551 | 10,717 | | (34,680) |
| Northeastern Illinois University | 138,199 | 49,977 | 27,459 | | (60,763) |
| Western Illinois University | 252,432 | 132,256 | 25,695 | | (94,481) |
| Total | <u>\$ 827,998</u> | <u>\$ 378,495</u> | <u>\$ 116,339</u> | <u>\$ 997</u> | <u>\$ (332,167)</u> |

| General revenues | | | Additions to permanent endowments | Total general revenues and additions to permanent endowments | Change in net assets | Net assets, July 1, 2008, as restated | Net assets, June 30, 2009 |
|-------------------------|--------------------------------------|--------|---|--|-------------------------|---|------------------------------|
| State appropriations | Interest and investment income | Other | | | | | |
| \$ 61,686 | \$ (84) | | \$ 40 | \$ 61,642 | \$ (2,490) | \$ 132,794 | \$ 130,304 |
| 87,808 | (6,301) | \$ 472 | 956 | 82,935 | 4,824 | 224,132 | 228,956 |
| 40,710 | 150 | | 103 | 40,963 | 6,283 | 64,281 | 70,564 |
| 68,696 | (933) | 34 | 626 | 68,423 | 7,660 | 93,231 | 100,891 |
| 100,007 | (2,585) | 420 | 510 | 98,352 | 3,871 | 151,626 | 155,497 |
| \$ 358,907 | \$ (9,753) | \$ 926 | \$ 2,235 | \$ 352,315 | \$ 20,148 | \$ 666,064 | \$ 686,212 |

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Budgetary Schedules

The following budgetary schedules for the State have been prepared in accordance with the terminology and classifications of funds used by the State in the Statewide Accounting Management System (“SAMS”) budgetary purposes. SAMS establishes the following budgetary fund groups to account for the State’s budgetary activities:

General – funds established to account for those services traditionally provided by a state government which are not required to be accounted for in other funds;

Highway – funds established to receive and distribute assessments related to transportation, and to support the construction and maintenance of transportation facilities and activities of the State;

Special State – funds designated by statute as special funds in the State Treasury and not elsewhere classified;

Bond Financed – funds established to receive and administer the proceeds of various bond issues of the State;

Debt Service – funds established to finance and account for the payment of principal and interest generally associated with the general and special obligation bond issues of the State;

Federal Trust – funds established pursuant to grants and contracts or under statutory authority between State agencies and the federal government;

Revolving – funds established to finance and account for intra-governmental services; and

State Trust – funds established by statute or under statutory authority for nonfederal programs which are not deemed to be a traditional governmental activity or elsewhere classified.

As the attached schedules are presented on the budgetary basis and not the GAAP basis of accounting, all budgeted funds of the State, including those presented as required supplemental information, are presented. The schedules presented as required supplemental information classify certain major governmental funds differently for GAAP reporting purposes than the following budgetary presentation. Below is a summary of those differences:

| GAAP Basis | Budgetary Basis Includes |
|--------------|---|
| General Fund | All General Funds Special State Funds: FY 09 Budget Relief Fund Budget Stabilization Fund Community Mental Health Medicaid Trust Trust Fund University of Illinois Hospital Services Fund County Provider Trust Fund Care Provider for Persons with Developmental Disabilities Fund Long-Term Care Provider Fund Hospital Provider Fund Special Education Medicaid Matching Fund Health and Human Services Medicaid Trust Fund Family Care Fund Drug Rebate Fund Income Tax Refund Fund and 13 funds included as other special state funds Federal Trust Funds Community Developmental Disabilities Services Medicaid Trust Fund State Trust Funds Public Aid Recoveries Trust Fund |

State of Illinois

Combined Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP)
All Budgeted Fund Groups

For the Year Ended June 30, 2009 (Expressed in Thousands)

| | General Funds | | | Highway Funds | | |
|---|-----------------------|-----------------------|--------------------------|-------------------|-------------------|--------------------------|
| | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| REVENUES: | | | | | | |
| Income taxes | \$ 12,182,000 | \$ 10,932,843 | \$ (1,249,157) | | | |
| Sales taxes | 7,297,000 | 6,772,799 | (524,201) | | | |
| Motor fuel taxes | | | | \$ 1,394,563 | \$ 1,392,623 | \$ (1,940) |
| Public utility taxes | 1,110,000 | 1,167,764 | 57,764 | | | |
| Federal government | 5,029,000 | 6,495,655 | 1,466,655 | 1,211,013 | 1,283,335 | 72,322 |
| Other | 2,287,000 | 2,113,206 | (173,794) | 1,524,277 | 1,481,626 | (42,651) |
| Less: | | | | | | |
| Refunds | 15,609 | 15,515 | (94) | 18,349 | 18,296 | (53) |
| Total revenues | 27,889,391 | 27,466,752 | (422,639) | 4,111,504 | 4,139,288 | 27,784 |
| EXPENDITURES: | | | | | | |
| Current: | | | | | | |
| Health and social services | 15,597,275 | 15,399,280 | (197,995) | 142,997 | 142,997 | - |
| Education | 11,461,904 | 11,340,428 | (121,476) | | | |
| General government | 754,641 | 710,927 | (43,714) | 216,732 | 207,619 | (9,113) |
| Employment and economic development | 140,315 | 126,464 | (13,851) | 1,900 | 1,900 | - |
| Transportation | 32,036 | 25,486 | (6,550) | 3,560,526 | 3,420,802 | (139,724) |
| Public protection and justice | 2,125,001 | 2,050,915 | (74,086) | 114,678 | 114,677 | (1) |
| Environment and business regulation | 89,160 | 84,144 | (5,016) | | | |
| Debt service: | | | | | | |
| Principal | | | | | | |
| Interest | | | | | | |
| Capital outlays | 24,419 | 20,373 | (4,046) | 56,469 | 37,326 | (19,143) |
| Total expenditures | 30,224,751 | 29,758,017 | (466,734) | 4,093,302 | 3,925,321 | (167,981) |
| Excess (deficiency) of revenues over (under) expenditures | (2,335,360) | (2,291,265) | 44,095 | 18,202 | 213,967 | 195,765 |
| OTHER SOURCES (USES) OF FINANCIAL RESOURCES: | | | | | | |
| Proceeds from general and special obligation bond issues | 2,400,000 | 2,400,000 | - | | | |
| Operating transfers-in | 6,151,663 | 6,151,663 | - | 1,160,463 | 1,160,463 | - |
| Operating transfers-out | (9,098,735) | (9,098,735) | - | (1,476,786) | (1,476,786) | - |
| Total other sources (uses) of financial resources | (547,072) | (547,072) | - | (316,323) | (316,323) | - |
| Budgetary funds-nonbudgeted accounts | | | | | | |
| Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources, and budgetary funds-nonbudgeted accounts | (2,882,432) | (2,838,337) | 44,095 | (298,121) | (102,356) | 195,765 |
| Budgetary fund balances (deficits), July 1, 2008, as previously reported | (834,491) | (834,491) | - | 684,816 | 684,816 | - |
| Reclassifications between budgetary/nonbudgetary funds-net | | | | | | |
| Budgetary fund balances (deficits), July 1, 2008, as reclassified | (834,491) | (834,491) | - | 684,816 | 684,816 | - |
| BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2009 | \$ (3,716,923) | \$ (3,672,828) | \$ 44,095 | \$ 386,695 | \$ 582,460 | \$ 195,765 |

| Special State Funds | | | Bond Financed Funds | | | Debt Service Funds | | |
|---------------------|--------------|-----------------------|---------------------|-----------|-----------------------|--------------------|-------------|-----------------------|
| Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| \$ 2,622,735 | \$ 2,622,735 | \$ - | | | | | | |
| 831,109 | 837,086 | 5,977 | | | | | | |
| 76,789 | 74,779 | (2,010) | | | | | | |
| 497,420 | 494,905 | (2,515) | | | | | | |
| 3,288,469 | 4,137,738 | 849,269 | | | | | | |
| 7,519,001 | 7,114,859 | (404,142) | \$ - | \$ 491 | \$ 491 | \$ 105,404 | \$ 117,317 | \$ 11,913 |
| 1,591,384 | 1,570,019 | (21,365) | | | | | | |
| 13,244,139 | 13,712,083 | 467,944 | - | 491 | 491 | 105,404 | 117,317 | 11,913 |
| 9,406,651 | 8,227,644 | (1,179,007) | | | | | | |
| 348,564 | 300,316 | (48,248) | 11,916 | 10,309 | (1,607) | | | |
| 3,617,336 | 3,418,302 | (199,034) | 18,135 | 16,681 | (1,454) | | | |
| 884,396 | 538,506 | (345,890) | 18,195 | 3,208 | (14,987) | | | |
| 644,415 | 577,813 | (66,602) | 48,837 | 48,820 | (17) | | | |
| 230,178 | 117,285 | (112,893) | | | | | | |
| 893,876 | 783,811 | (110,065) | 10,116 | 9,461 | (655) | | | |
| | | | | | | 2,350,651 | 2,299,277 | (51,374) |
| | | | | | | 1,162,985 | 1,133,052 | (29,933) |
| 46,705 | 39,338 | (7,367) | 71,174 | 72,233 | 1,059 | | | |
| 16,072,121 | 14,003,015 | (2,069,106) | 178,373 | 160,712 | (17,661) | 3,513,636 | 3,432,329 | (81,307) |
| (2,827,982) | (290,932) | 2,537,050 | (178,373) | (160,221) | 18,152 | (3,408,232) | (3,315,012) | 93,220 |
| | | | 151,451 | 151,451 | - | | | |
| 4,229,386 | 4,229,386 | - | | | | 3,654,587 | 3,654,587 | - |
| (3,848,729) | (3,848,729) | - | | | | (335,000) | (335,000) | - |
| 380,657 | 380,657 | - | 151,451 | 151,451 | - | 3,319,587 | 3,319,587 | - |
| (2,579) | (2,579) | - | | | | | | |
| (2,449,904) | 87,146 | 2,537,050 | (26,922) | (8,770) | 18,152 | (88,645) | 4,575 | 93,220 |
| 1,914,027 | 1,914,027 | - | 73,783 | 73,783 | - | 649,343 | 649,343 | - |
| 1,914,027 | 1,914,027 | - | 73,783 | 73,783 | - | 649,343 | 649,343 | - |
| \$ (535,877) | \$ 2,001,173 | \$ 2,537,050 | \$ 46,861 | \$ 65,013 | \$ 18,152 | \$ 560,698 | \$ 653,918 | \$ 93,220 |

(continued)

State of Illinois

Combined Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP)
All Budgeted Fund Groups

For the Year Ended June 30, 2009 (Expressed in Thousands)

(continued)

| | Federal Trust Funds | | | Revolving Funds | | |
|---|-----------------------|--------------------|-----------------------|---------------------|--------------------|-----------------------|
| | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| REVENUES: | | | | | | |
| Income taxes | | | | | | |
| Sales taxes | | | | | | |
| Motor fuel taxes | | | | | | |
| Public utility taxes | | | | | | |
| Federal government | \$ 3,774,167 | \$ 4,231,074 | \$ 456,907 | \$ 12,197 | \$ 3,091 | \$ (9,106) |
| Other | 265,120 | 250,934 | (14,186) | 546,172 | 501,594 | (44,578) |
| Less: | | | | | | |
| Refunds | 2,844 | 5 | (2,839) | 9,610 | 7 | (9,603) |
| Total revenues | 4,036,443 | 4,482,003 | 445,560 | 548,759 | 504,678 | (44,081) |
| EXPENDITURES: | | | | | | |
| Current: | | | | | | |
| Health and social services | 1,697,358 | 1,190,160 | (507,198) | | | |
| Education | 3,128,262 | 2,251,767 | (876,495) | | | |
| General government | 357,573 | 8,390 | (349,183) | 746,529 | 600,512 | (146,017) |
| Employment and economic development | 1,560,667 | 414,064 | (1,146,603) | | | |
| Transportation | 115,752 | 115,727 | (25) | 1,000 | 721 | (279) |
| Public protection and justice | 423,851 | 144,283 | (279,568) | 42,039 | 39,312 | (2,727) |
| Environment and business regulation | 197,404 | 135,994 | (61,410) | | | |
| Debt service: | | | | | | |
| Principal | | | | | | |
| Interest | | | | | | |
| Capital outlays | 10,881 | 1,019 | (9,862) | 2,485 | 1,169 | (1,316) |
| Total expenditures | 7,491,748 | 4,261,404 | (3,230,344) | 792,053 | 641,714 | (150,339) |
| Excess (deficiency) of revenues over (under) expenditures | (3,455,305) | 220,599 | 3,675,904 | (243,294) | (137,036) | 106,258 |
| OTHER SOURCES (USES) OF FINANCIAL RESOURCES: | | | | | | |
| Proceeds from general and special obligation bond issues | | | | | | |
| Operating transfers-in | 40,152 | 40,152 | - | 119,852 | 119,852 | - |
| Operating transfers-out | (39,225) | (39,225) | - | (14,018) | (14,018) | - |
| Total other sources (uses) of financial resources | 927 | 927 | - | 105,834 | 105,834 | - |
| Budgetary funds-nonbudgeted accounts | (16,152) | (16,152) | - | | | |
| Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources, and budgetary funds-nonbudgeted accounts | (3,470,530) | 205,374 | 3,675,904 | (137,460) | (31,202) | 106,258 |
| Budgetary fund balances (deficits), July 1, 2008, as previously reported | (290,472) | (290,472) | - | (4,604) | (4,604) | - |
| Reclassifications between budgetary/nonbudgetary funds-net | 35 | 35 | - | | | |
| Budgetary fund balances (deficits), July 1, 2008, as reclassified | (290,437) | (290,437) | - | (4,604) | (4,604) | - |
| BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2009 | \$ (3,760,967) | \$ (85,063) | \$ 3,675,904 | \$ (142,064) | \$ (35,806) | \$ 106,258 |

| State Trust Funds | | | Total (Memorandum Only) | | |
|-------------------|-------------|--------------------------|----------------------------|---------------|--------------------------|
| Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| | | | \$ 14,804,735 | \$ 13,555,578 | \$ (1,249,157) |
| \$ 714,811 | \$ 714,811 | \$ - | 8,842,920 | 8,324,696 | (518,224) |
| 31,378 | 31,378 | - | 1,502,730 | 1,498,780 | (3,950) |
| 301,145 | 301,145 | - | 1,908,565 | 1,963,814 | 55,249 |
| 92,688 | 128,494 | 35,806 | 13,407,534 | 16,279,387 | 2,871,853 |
| 1,930,509 | 2,183,930 | 253,421 | 14,177,483 | 13,763,957 | (413,526) |
| 312 | 273 | (39) | 1,638,108 | 1,604,115 | (33,993) |
| 3,070,219 | 3,359,485 | 289,266 | 53,005,859 | 53,782,097 | 776,238 |
| 221,384 | 183,966 | (37,418) | 27,065,665 | 25,144,047 | (1,921,618) |
| 17,259 | 4,619 | (12,640) | 14,967,905 | 13,907,439 | (1,060,466) |
| 330,942 | 193,376 | (137,566) | 6,041,888 | 5,155,807 | (886,081) |
| 25 | 20 | (5) | 2,605,498 | 1,084,162 | (1,521,336) |
| | | | 4,402,566 | 4,189,369 | (213,197) |
| 2,950 | 1,326 | (1,624) | 2,938,697 | 2,467,798 | (470,899) |
| 12,930 | 5,787 | (7,143) | 1,203,486 | 1,019,197 | (184,289) |
| | | | | - | |
| | | | 2,350,651 | 2,299,277 | (51,374) |
| | | | 1,162,985 | 1,133,052 | (29,933) |
| 2,000 | 2 | (1,998) | 214,133 | 171,460 | (42,673) |
| 587,490 | 389,096 | (198,394) | 62,953,474 | 56,571,608 | (6,381,866) |
| 2,482,729 | 2,970,389 | 487,660 | (9,947,615) | (2,789,511) | 7,158,104 |
| | | | 2,551,451 | 2,551,451 | - |
| 175,196 | 175,196 | - | 15,531,299 | 15,531,299 | - |
| (412,368) | (412,368) | - | (15,224,861) | (15,224,861) | - |
| (237,172) | (237,172) | - | 2,857,889 | 2,857,889 | - |
| (2,835,190) | (2,835,190) | - | (2,853,921) | (2,853,921) | - |
| (589,633) | (101,973) | 487,660 | (9,943,647) | (2,785,543) | 7,158,104 |
| 574,116 | 574,116 | - | 2,766,518 | 2,766,518 | - |
| (84,393) | (84,393) | - | (84,358) | (84,358) | - |
| 489,723 | 489,723 | - | 2,682,160 | 2,682,160 | - |
| \$ (99,910) | \$ 387,750 | \$ 487,660 | \$ (7,261,487) | \$ (103,383) | \$ 7,158,104 |

State of Illinois

Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) General Funds

For the Year Ended June 30, 2009 (Expressed in Thousands)

| | General Revenue | | | Common School Special Account | | |
|--|-----------------------|-----------------------|-----------------------|-------------------------------|--------------------|-----------------------|
| | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| REVENUES: | | | | | | |
| Income taxes | \$11,293,000 | \$10,134,745 | \$ (1,158,255) | | | |
| Sales taxes | 5,467,000 | 5,073,989 | (393,011) | \$ 1,830,000 | \$ 1,698,810 | \$ (131,190) |
| Public utility taxes | 1,002,000 | 1,053,769 | 51,769 | | | |
| Federal government | 5,029,000 | 6,495,655 | 1,466,655 | | | |
| Other | 2,110,000 | 1,936,552 | (173,448) | | | |
| Less: | | | | | | |
| Refunds | 15,609 | 15,515 | (94) | | | |
| Total revenues | 24,885,391 | 24,679,195 | (206,196) | 1,830,000 | 1,698,810 | (131,190) |
| EXPENDITURES: | | | | | | |
| Current: | | | | | | |
| Health and social services | 15,597,275 | 15,399,280 | (197,995) | | | |
| Education | 5,491,960 | 5,395,621 | (96,339) | | | |
| General government | 754,632 | 710,918 | (43,714) | | | |
| Employment and economic development | 140,315 | 126,464 | (13,851) | | | |
| Transportation | 32,036 | 25,486 | (6,550) | | | |
| Public protection and justice | 2,125,001 | 2,050,915 | (74,086) | | | |
| Environment and business regulation | 89,160 | 84,144 | (5,016) | | | |
| Capital outlays | 24,419 | 20,373 | (4,046) | | | |
| Total expenditures | 24,254,798 | 23,813,201 | (441,597) | | | |
| Excess (deficiency) of revenues over (under) expenditures | 630,593 | 865,994 | 235,401 | 1,830,000 | 1,698,810 | (131,190) |
| OTHER SOURCES (USES) OF FINANCIAL RESOURCES: | | | | | | |
| Proceeds from general and special obligation bond issues | 2,400,000 | 2,400,000 | - | | | |
| Operating transfers-in | 1,181,567 | 1,181,567 | - | | | |
| Operating transfers-out | (7,570,837) | (7,570,837) | - | (1,527,577) | (1,527,577) | - |
| Total other sources (uses) of financial resources | (3,989,270) | (3,989,270) | - | (1,527,577) | (1,527,577) | - |
| Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources | (3,358,677) | (3,123,276) | 235,401 | 302,423 | 171,233 | (131,190) |
| Budgetary fund balances (deficits), July 1, 2008 | (916,676) | (916,676) | - | 14,009 | 14,009 | - |
| BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2009 | \$ (4,275,353) | \$ (4,039,952) | \$ 235,401 | \$ 316,432 | \$ 185,242 | \$ (131,190) |

| Education Assistance | | | Common School | | | Total | | |
|----------------------|------------|--------------------------|-----------------|-------------|--------------------------|-----------------|----------------|--------------------------|
| Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| \$ 889,000 | \$ 798,098 | \$ (90,902) | | | | \$12,182,000 | \$10,932,843 | \$ (1,249,157) |
| | | | | | | 7,297,000 | 6,772,799 | (524,201) |
| | | | \$ 108,000 | \$ 113,995 | \$ 5,995 | 1,110,000 | 1,167,764 | 57,764 |
| | | | | | | 5,029,000 | 6,495,655 | 1,466,655 |
| - | 31 | 31 | 177,000 | 176,623 | (377) | 2,287,000 | 2,113,206 | (173,794) |
| | | | | | | 15,609 | 15,515 | (94) |
| 889,000 | 798,129 | (90,871) | 285,000 | 290,618 | 5,618 | 27,889,391 | 27,466,752 | (422,639) |
| | | | | | | | | |
| | | | | | | 15,597,275 | 15,399,280 | (197,995) |
| 1,517,476 | 1,492,401 | (25,075) | 4,452,468 | 4,452,406 | (62) | 11,461,904 | 11,340,428 | (121,476) |
| 9 | 9 | - | | | | 754,641 | 710,927 | (43,714) |
| | | | | | | 140,315 | 126,464 | (13,851) |
| | | | | | | 32,036 | 25,486 | (6,550) |
| | | | | | | 2,125,001 | 2,050,915 | (74,086) |
| | | | | | | 89,160 | 84,144 | (5,016) |
| | | | | | | 24,419 | 20,373 | (4,046) |
| 1,517,485 | 1,492,410 | (25,075) | 4,452,468 | 4,452,406 | (62) | 30,224,751 | 29,758,017 | (466,734) |
| | | | | | | | | |
| (628,485) | (694,281) | (65,796) | (4,167,468) | (4,161,788) | 5,680 | (2,335,360) | (2,291,265) | 44,095 |
| | | | | | | | | |
| | | | | | | 2,400,000 | 2,400,000 | - |
| 685,659 | 685,659 | - | 4,284,437 | 4,284,437 | - | 6,151,663 | 6,151,663 | - |
| (119) | (119) | - | (202) | (202) | - | (9,098,735) | (9,098,735) | - |
| 685,540 | 685,540 | - | 4,284,235 | 4,284,235 | - | (547,072) | (547,072) | - |
| | | | | | | | | |
| 57,055 | (8,741) | (65,796) | 116,767 | 122,447 | 5,680 | (2,882,432) | (2,838,337) | 44,095 |
| | | | | | | | | |
| 61,978 | 61,978 | - | 6,198 | 6,198 | - | (834,491) | (834,491) | - |
| \$ 119,033 | \$ 53,237 | \$ (65,796) | \$ 122,965 | \$ 128,645 | \$ 5,680 | \$ (3,716,923) | \$ (3,672,828) | \$ 44,095 |

State of Illinois

Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Highway Funds

For the Year Ended June 30, 2009 (Expressed in Thousands)

| | Road | | | Motor Fuel Tax - State | | |
|--|-------------------|-------------------|--------------------------|------------------------|--------------------|--------------------------|
| | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| REVENUES: | | | | | | |
| Motor fuel taxes | | | | \$ 1,394,563 | \$ 1,392,623 | \$ (1,940) |
| Federal government | \$ 1,211,013 | \$ 1,283,192 | \$ 72,179 | - | 143 | 143 |
| Other | 1,017,443 | 992,090 | (25,353) | - | 701 | 701 |
| Less: | | | | | | |
| Refunds | 2,333 | 2,287 | (46) | 16,016 | 16,009 | (7) |
| Total revenues | 2,226,123 | 2,272,995 | 46,872 | 1,378,547 | 1,377,458 | (1,089) |
| EXPENDITURES: | | | | | | |
| Current: | | | | | | |
| Health and social services | 142,997 | 142,997 | - | | | |
| General government | 129,912 | 129,574 | (338) | 86,820 | 78,045 | (8,775) |
| Employment and economic development | 1,900 | 1,900 | - | | | |
| Transportation | 1,914,749 | 1,851,857 | (62,892) | 10,837 | 9,523 | (1,314) |
| Public protection and justice | 114,678 | 114,677 | (1) | | | |
| Capital outlays | 56,441 | 37,312 | (19,129) | 28 | 14 | (14) |
| Total expenditures | 2,360,677 | 2,278,317 | (82,360) | 97,685 | 87,582 | (10,103) |
| Excess (deficiency) of revenues over (under) expenditures | (134,554) | (5,322) | 129,232 | 1,280,862 | 1,289,876 | 9,014 |
| OTHER SOURCES (USES) OF FINANCIAL RESOURCES: | | | | | | |
| Operating transfers-in | 317,323 | 317,323 | - | 30 | 30 | - |
| Operating transfers-out | (279,091) | (279,091) | - | (1,195,416) | (1,195,416) | - |
| Total other sources (uses) of financial resources | 38,232 | 38,232 | - | (1,195,386) | (1,195,386) | - |
| Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources | (96,322) | 32,910 | 129,232 | 85,476 | 94,490 | 9,014 |
| Budgetary fund balances (deficits), July 1, 2008 | 323,368 | 323,368 | - | (7,781) | (7,781) | - |
| BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2009 | \$ 227,046 | \$ 356,278 | \$ 129,232 | \$ 77,695 | \$ 86,709 | \$ 9,014 |

| Grade Crossing Protection | | | Motor Fuel Tax - Counties | | | Motor Fuel Tax - Municipalities | | |
|---------------------------|----------|-----------------------|---------------------------|-------------|-----------------------|---------------------------------|-------------|-----------------------|
| Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| | | | | | | | | |
| | | | | | | | | |
| \$ | - | \$ 42 | \$ | 42 | | | | |
| | | | | | | | | |
| - | 42 | 42 | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| 24,053 | 24,053 | - | \$ 232,600 | \$ 206,232 | \$ (26,368) | \$ 326,300 | \$ 289,232 | \$ (37,068) |
| 24,053 | 24,053 | - | 232,600 | 206,232 | (26,368) | 326,300 | 289,232 | (37,068) |
| | | | | | | | | |
| (24,053) | (24,011) | 42 | (232,600) | (206,232) | 26,368 | (326,300) | (289,232) | 37,068 |
| | | | | | | | | |
| 27,001 | 27,001 | - | 210,337 | 210,337 | - | 294,989 | 294,989 | - |
| (2,251) | (2,251) | - | | | | | | |
| 24,750 | 24,750 | - | 210,337 | 210,337 | - | 294,989 | 294,989 | - |
| | | | | | | | | |
| 697 | 739 | 42 | (22,263) | 4,105 | 26,368 | (31,311) | 5,757 | 37,068 |
| 1 | 1 | - | (15,803) | (15,803) | - | (22,163) | (22,163) | - |
| \$ 698 | \$ 740 | \$ 42 | \$ (38,066) | \$ (11,698) | \$ 26,368 | \$ (53,474) | \$ (16,406) | \$ 37,068 |

(continued)

State of Illinois

Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Highway Funds

For the Year Ended June 30, 2009 (Expressed in Thousands)

(continued)

| | Motor Fuel Tax - Township | | | State Construction Account | | |
|--|---------------------------|------------|--------------------------|----------------------------|------------|--------------------------|
| | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| REVENUES: | | | | | | |
| Motor fuel taxes | | | | | | |
| Federal government | | | | | | |
| Other | | | | \$ 506,834 | \$ 488,793 | \$ (18,041) |
| Less: | | | | | | |
| Refunds | | | | | | |
| Total revenues | | | | 506,834 | 488,793 | (18,041) |
| EXPENDITURES: | | | | | | |
| Current: | | | | | | |
| Health and social services | | | | | | |
| General government | | | | | | |
| Employment and economic development | | | | | | |
| Transportation | \$ 105,600 | \$ 93,603 | \$ (11,997) | 946,387 | 946,302 | (85) |
| Public protection and justice | | | | | | |
| Capital outlays | | | | | | |
| Total expenditures | 105,600 | 93,603 | (11,997) | 946,387 | 946,302 | (85) |
| Excess (deficiency) of revenues over (under) expenditures | (105,600) | (93,603) | 11,997 | (439,553) | (457,509) | (17,956) |
| OTHER SOURCES (USES) OF FINANCIAL RESOURCES: | | | | | | |
| Operating transfers-in | 95,466 | 95,466 | - | 215,317 | 215,317 | - |
| Operating transfers-out | | | | (28) | (28) | - |
| Total other sources (uses) of financial resources | 95,466 | 95,466 | - | 215,289 | 215,289 | - |
| Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of nonbudgeted accounts | (10,134) | 1,863 | 11,997 | (224,264) | (242,220) | (17,956) |
| Budgetary fund balances (deficits), July 1, 2008 | (7,172) | (7,172) | - | 414,366 | 414,366 | - |
| BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2009 | \$ (17,306) | \$ (5,309) | \$ 11,997 | \$ 190,102 | \$ 172,146 | \$ (17,956) |

| Total | | |
|--------------|--------------|-----------------------|
| Final Budget | Actual | Variance Over (Under) |
| \$ 1,394,563 | \$ 1,392,623 | \$ (1,940) |
| 1,211,013 | 1,283,335 | 72,322 |
| 1,524,277 | 1,481,626 | (42,651) |
| 18,349 | 18,296 | (53) |
| 4,111,504 | 4,139,288 | 27,784 |
| | | |
| 142,997 | 142,997 | - |
| 216,732 | 207,619 | (9,113) |
| 1,900 | 1,900 | - |
| 3,560,526 | 3,420,802 | (139,724) |
| 114,678 | 114,677 | (1) |
| 56,469 | 37,326 | (19,143) |
| 4,093,302 | 3,925,321 | (167,981) |
| | | |
| 18,202 | 213,967 | 195,765 |
| | | |
| 1,160,463 | 1,160,463 | - |
| (1,476,786) | (1,476,786) | - |
| (316,323) | (316,323) | - |
| | | |
| (298,121) | (102,356) | 195,765 |
| | | |
| 684,816 | 684,816 | - |
| \$ 386,695 | \$ 582,460 | \$ 195,765 |

State of Illinois

Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Special State Funds

For the Year Ended June 30, 2009 (Expressed in Thousands)

| | Elected Officials | | | Code Departments | | |
|---|-------------------|-------------------|--------------------------|-----------------------|-------------------|--------------------------|
| | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| REVENUES: | | | | | | |
| Income taxes | | | | \$ 2,622,735 | \$ 2,622,735 | \$ - |
| Sales taxes | | | | 810,035 | 817,391 | 7,356 |
| Motor fuel taxes | | | | | | |
| Public utility taxes | | | | 314,709 | 308,329 | (6,380) |
| Federal government | \$ 287,629 | \$ 452,479 | \$ 164,850 | 2,850,126 | 3,560,820 | 710,694 |
| Other | 321,637 | 372,781 | 51,144 | 6,149,306 | 5,778,278 | (371,028) |
| Less: | | | | | | |
| Refunds | | | | 1,588,847 | 1,568,778 | (20,069) |
| Total revenues | 609,266 | 825,260 | 215,994 | 11,158,064 | 11,518,775 | 360,711 |
| EXPENDITURES: | | | | | | |
| Current: | | | | | | |
| Health and social services | 918,382 | 916,827 | (1,555) | 8,258,354 | 7,168,946 | (1,089,408) |
| Education | 252,800 | 221,456 | (31,344) | | | |
| General government | 32,126 | 28,857 | (3,269) | 3,221,090 | 3,165,564 | (55,526) |
| Employment and economic development | 2,000 | 2,000 | - | 664,616 | 380,826 | (283,790) |
| Transportation | 37,318 | 37,318 | - | 594,745 | 529,735 | (65,010) |
| Public protection and justice | 1,598 | 733 | (865) | 63,250 | 14,843 | (48,407) |
| Environment and business regulation | 14,850 | 14,614 | (236) | 147,066 | 135,207 | (11,859) |
| Capital outlays | 19 | 17 | (2) | 26,109 | 22,510 | (3,599) |
| Total expenditures | 1,259,093 | 1,221,822 | (37,271) | 12,975,230 | 11,417,631 | (1,557,599) |
| Excess (deficiency) of revenues over (under) expenditures | (649,827) | (396,562) | 253,265 | (1,817,166) | 101,144 | 1,918,310 |
| OTHER SOURCES (USES) OF FINANCIAL RESOURCES: | | | | | | |
| Operating transfers-in | 916,897 | 916,897 | - | 2,924,764 | 2,924,764 | - |
| Operating transfers-out | (591,961) | (591,961) | - | (2,752,564) | (2,752,564) | - |
| Total other sources (uses) of financial resources | 324,936 | 324,936 | - | 172,200 | 172,200 | - |
| Budgetary funds-nonbudgeted accounts | | | | (229) | (229) | - |
| Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources, and budgetary funds-nonbudgeted accounts | (324,891) | (71,626) | 253,265 | (1,645,195) | 273,115 | 1,918,310 |
| Budgetary fund balances (deficits), July 1, 2008 | 458,562 | 458,562 | - | 333,278 | 333,278 | - |
| BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2009 | \$ 133,671 | \$ 386,936 | \$ 253,265 | \$ (1,311,917) | \$ 606,393 | \$ 1,918,310 |

| Agencies, Boards & Commissions | | | Other | | | Total | | |
|--------------------------------|------------|--------------------------|-----------------|------------|--------------------------|-----------------|--------------|--------------------------|
| Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| | | | | | | \$ 2,622,735 | \$ 2,622,735 | \$ - |
| \$ 76,789 | \$ 74,779 | \$ (2,010) | \$ 21,074 | \$ 19,695 | \$ (1,379) | 831,109 | 837,086 | 5,977 |
| 151,001 | 155,367 | 4,366 | 31,710 | 31,209 | (501) | 76,789 | 74,779 | (2,010) |
| 70,200 | 39,534 | (30,666) | 80,514 | 84,905 | 4,391 | 497,420 | 494,905 | (2,515) |
| 309,568 | 283,249 | (26,319) | 738,490 | 680,551 | (57,939) | 3,288,469 | 4,137,738 | 849,269 |
| | | | | | | 7,519,001 | 7,114,859 | (404,142) |
| 22 | 10 | (12) | 2,515 | 1,231 | (1,284) | 1,591,384 | 1,570,019 | (21,365) |
| 607,536 | 552,919 | (54,617) | 869,273 | 815,129 | (54,144) | 13,244,139 | 13,712,083 | 467,944 |
| 15,946 | 5,496 | (10,450) | 213,969 | 136,375 | (77,594) | 9,406,651 | 8,227,644 | (1,179,007) |
| 2,559 | 2,550 | (9) | 93,205 | 76,310 | (16,895) | 348,564 | 300,316 | (48,248) |
| 80,976 | 38,800 | (42,176) | 283,144 | 185,081 | (98,063) | 3,617,336 | 3,418,302 | (199,034) |
| 31,570 | 30,752 | (818) | 186,210 | 124,928 | (61,282) | 884,396 | 538,506 | (345,890) |
| | | | 12,352 | 10,760 | (1,592) | 644,415 | 577,813 | (66,602) |
| 25,884 | 22,160 | (3,724) | 139,446 | 79,549 | (59,897) | 230,178 | 117,285 | (112,893) |
| 357,580 | 345,203 | (12,377) | 374,380 | 288,787 | (85,593) | 893,876 | 783,811 | (110,065) |
| 1,109 | 230 | (879) | 19,468 | 16,581 | (2,887) | 46,705 | 39,338 | (7,367) |
| 515,624 | 445,191 | (70,433) | 1,322,174 | 918,371 | (403,803) | 16,072,121 | 14,003,015 | (2,069,106) |
| 91,912 | 107,728 | 15,816 | (452,901) | (103,242) | 349,659 | (2,827,982) | (290,932) | 2,537,050 |
| 137,412 | 137,412 | - | 250,313 | 250,313 | - | 4,229,386 | 4,229,386 | - |
| (244,897) | (244,897) | - | (259,307) | (259,307) | - | (3,848,729) | (3,848,729) | - |
| (107,485) | (107,485) | - | (8,994) | (8,994) | - | 380,657 | 380,657 | - |
| | | | (2,350) | (2,350) | - | (2,579) | (2,579) | - |
| (15,573) | 243 | 15,816 | (464,245) | (114,586) | 349,659 | (2,449,904) | 87,146 | 2,537,050 |
| 464,382 | 464,382 | - | 657,805 | 657,805 | - | 1,914,027 | 1,914,027 | - |
| \$ 448,809 | \$ 464,625 | \$ 15,816 | \$ 193,560 | \$ 543,219 | \$ 349,659 | \$ (535,877) | \$ 2,001,173 | \$ 2,537,050 |

State of Illinois

Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Special State Funds - Elected Officials

For the Year Ended June 30, 2009 (Expressed in Thousands)

| | Attorney General | | | Comptroller | | |
|--|--------------------------------|------------------|--------------------------|-------------------|-------------------|--------------------------|
| | Attorney General Whistleblower | | | | | |
| | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| REVENUES: | | | | | | |
| Federal government | | | | | | |
| Other | \$ 811 | \$ 26,813 | \$ 26,002 | \$ - | \$ 5,000 | \$ 5,000 |
| Total revenues | 811 | 26,813 | 26,002 | - | 5,000 | 5,000 |
| EXPENDITURES: | | | | | | |
| Current: | | | | | | |
| Health and social services | | | | 123,223 | 122,992 | (231) |
| Education | | | | 2,800 | 2,551 | (249) |
| General government | 2,050 | 1,378 | (672) | 21,055 | 20,254 | (801) |
| Employment and economic development | | | | 2,000 | 2,000 | - |
| Transportation | | | | 37,318 | 37,318 | - |
| Public protection and justice | | | | 1,598 | 733 | (865) |
| Environment and business regulation | | | | 14,850 | 14,614 | (236) |
| Capital outlays | | | | 4 | 2 | (2) |
| Total expenditures | 2,050 | 1,378 | (672) | 202,848 | 200,464 | (2,384) |
| Excess (deficiency) of revenues over (under) expenditures | (1,239) | 25,435 | 26,674 | (202,848) | (195,464) | 7,384 |
| OTHER SOURCES (USES) OF FINANCIAL RESOURCES: | | | | | | |
| Operating transfers-in | | | | 790,704 | 790,704 | - |
| Operating transfers-out | (8,253) | (8,253) | - | (575,704) | (575,704) | - |
| Total other sources (uses) of financial resources | (8,253) | (8,253) | - | 215,000 | 215,000 | - |
| Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources | (9,492) | 17,182 | 26,674 | 12,152 | 19,536 | 7,384 |
| Budgetary fund balances (deficits), July 1, 2008 | 5,699 | 5,699 | - | 275,704 | 275,704 | - |
| BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2009 | \$ (3,793) | \$ 22,881 | \$ 26,674 | \$ 287,856 | \$ 295,240 | \$ 7,384 |

| Treasurer | | | Total | | |
|-----------------|------------|--------------------------|-----------------|------------|--------------------------|
| Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| \$ 287,629 | \$ 452,479 | \$ 164,850 | \$ 287,629 | \$ 452,479 | \$ 164,850 |
| 320,826 | 340,968 | 20,142 | 321,637 | 372,781 | 51,144 |
| 608,455 | 793,447 | 184,992 | 609,266 | 825,260 | 215,994 |
| | | | | | |
| 795,159 | 793,835 | (1,324) | 918,382 | 916,827 | (1,555) |
| 250,000 | 218,905 | (31,095) | 252,800 | 221,456 | (31,344) |
| 9,021 | 7,225 | (1,796) | 32,126 | 28,857 | (3,269) |
| | | | 2,000 | 2,000 | - |
| | | | 37,318 | 37,318 | - |
| | | | 1,598 | 733 | (865) |
| | | | 14,850 | 14,614 | (236) |
| 15 | 15 | - | 19 | 17 | (2) |
| 1,054,195 | 1,019,980 | (34,215) | 1,259,093 | 1,221,822 | (37,271) |
| | | | | | |
| (445,740) | (226,533) | 219,207 | (649,827) | (396,562) | 253,265 |
| | | | | | |
| 126,193 | 126,193 | - | 916,897 | 916,897 | - |
| (8,004) | (8,004) | - | (591,961) | (591,961) | - |
| 118,189 | 118,189 | - | 324,936 | 324,936 | - |
| | | | | | |
| (327,551) | (108,344) | 219,207 | (324,891) | (71,626) | 253,265 |
| | | | | | |
| 177,159 | 177,159 | - | 458,562 | 458,562 | - |
| \$ (150,392) | \$ 68,815 | \$ 219,207 | \$ 133,671 | \$ 386,936 | \$ 253,265 |

State of Illinois

Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Special State Funds - Comptroller

For the Year Ended June 30, 2009 (Expressed in Thousands)

| | FY09 Budget Relief | | | Budget Stabilization | | |
|--|--------------------|-----------|--------------------------|----------------------|------------|--------------------------|
| | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| REVENUES: | | | | | | |
| Other | \$ - | \$ 5,000 | \$ 5,000 | | | |
| Total revenues | - | 5,000 | 5,000 | | | |
| EXPENDITURES: | | | | | | |
| Current: | | | | | | |
| Health and social services | 123,223 | 122,992 | (231) | | | |
| Education | 2,800 | 2,551 | (249) | | | |
| General government | 21,055 | 20,254 | (801) | | | |
| Employment and economic development | 2,000 | 2,000 | - | | | |
| Transportation | 37,318 | 37,318 | - | | | |
| Public protection and justice | 1,598 | 733 | (865) | | | |
| Environment and business regulation | 14,850 | 14,614 | (236) | | | |
| Capital outlays | 4 | 2 | (2) | | | |
| Total expenditures | 202,848 | 200,464 | (2,384) | | | |
| Excess (deficiency) of revenues over (under) expenditures | (202,848) | (195,464) | 7,384 | | | |
| OTHER SOURCES (USES) OF FINANCIAL RESOURCES: | | | | | | |
| Operating transfers-in | 215,000 | 215,000 | - | \$ 575,704 | \$ 575,704 | \$ - |
| Operating transfers-out | | | | (575,704) | (575,704) | - |
| Total other sources (uses) of financial resources | 215,000 | 215,000 | - | - | - | - |
| Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources | 12,152 | 19,536 | 7,384 | - | - | - |
| Budgetary fund balances (deficits), July 1, 2008 | - | - | - | 275,704 | 275,704 | - |
| BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2009 | \$ 12,152 | \$ 19,536 | \$ 7,384 | \$ 275,704 | \$ 275,704 | \$ - |

| | Total | |
|--------|----------|--------------|
| Final | Actual | Variance |
| Budget | | Over (Under) |
| \$ - | \$ 5,000 | \$ 5,000 |
| - | 5,000 | 5,000 |

| | | |
|-----------|-----------|---------|
| 123,223 | 122,992 | (231) |
| 2,800 | 2,551 | (249) |
| 21,055 | 20,254 | (801) |
| 2,000 | 2,000 | - |
| 37,318 | 37,318 | - |
| 1,598 | 733 | (865) |
| 14,850 | 14,614 | (236) |
| 4 | 2 | (2) |
| 202,848 | 200,464 | (2,384) |
| (202,848) | (195,464) | 7,384 |

| | | |
|-----------|-----------|---|
| 790,704 | 790,704 | - |
| (575,704) | (575,704) | - |
| 215,000 | 215,000 | - |

| | | |
|------------|------------|----------|
| 12,152 | 19,536 | 7,384 |
| 275,704 | 275,704 | - |
| \$ 287,856 | \$ 295,240 | \$ 7,384 |

State of Illinois

Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Special State Funds - State Treasurer

For the Year Ended June 30, 2009 (Expressed in Thousands)

| | State Pensions | | | Tobacco Settlement Recovery | | |
|--|------------------|------------------|--------------------------|-----------------------------|------------------|--------------------------|
| | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| REVENUES: | | | | | | |
| Federal government | | | | \$ 287,629 | \$ 452,479 | \$ 164,850 |
| Other | | | | 320,826 | 340,968 | 20,142 |
| Total revenues | | | | 608,455 | 793,447 | 184,992 |
| EXPENDITURES: | | | | | | |
| Current: | | | | | | |
| Health and social services | | | | 795,159 | 793,835 | (1,324) |
| Education | \$ 250,000 | \$ 218,905 | \$ (31,095) | | | |
| General government | 8,066 | 6,406 | (1,660) | 955 | 819 | (136) |
| Capital outlays | 15 | 15 | - | | | |
| Total expenditures | 258,081 | 225,326 | (32,755) | 796,114 | 794,654 | (1,460) |
| Excess (deficiency) of revenues over (under) expenditures | (258,081) | (225,326) | 32,755 | (187,659) | (1,207) | 186,452 |
| OTHER SOURCES (USES) OF FINANCIAL RESOURCES: | | | | | | |
| Operating transfers-in | 126,185 | 126,185 | - | 8 | 8 | - |
| Operating transfers-out | (5,000) | (5,000) | - | (3,004) | (3,004) | - |
| Total other sources (uses) of financial resources | 121,185 | 121,185 | - | (2,996) | (2,996) | - |
| Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources | (136,896) | (104,141) | 32,755 | (190,655) | (4,203) | 186,452 |
| Budgetary fund balances (deficits), July 1, 2008 | 161,095 | 161,095 | - | 16,064 | 16,064 | - |
| BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2009 | \$ 24,199 | \$ 56,954 | \$ 32,755 | \$ (174,591) | \$ 11,861 | \$ 186,452 |

| | Total | |
|------------|------------|--------------|
| Final | Actual | Variance |
| Budget | | Over (Under) |
| \$ 287,629 | \$ 452,479 | \$ 164,850 |
| 320,826 | 340,968 | 20,142 |
| 608,455 | 793,447 | 184,992 |

| | | |
|-----------|-----------|----------|
| 795,159 | 793,835 | (1,324) |
| 250,000 | 218,905 | (31,095) |
| 9,021 | 7,225 | (1,796) |
| 15 | 15 | - |
| 1,054,195 | 1,019,980 | (34,215) |

| | | |
|-----------|-----------|---------|
| (445,740) | (226,533) | 219,207 |
|-----------|-----------|---------|

| | | |
|---------|---------|---|
| 126,193 | 126,193 | - |
| (8,004) | (8,004) | - |
| 118,189 | 118,189 | - |

| | | |
|-----------|-----------|---------|
| (327,551) | (108,344) | 219,207 |
|-----------|-----------|---------|

| | | |
|--------------|-----------|------------|
| 177,159 | 177,159 | - |
| \$ (150,392) | \$ 68,815 | \$ 219,207 |

State of Illinois

Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Special State Funds - Code Departments

For the Year Ended June 30, 2009 (Expressed in Thousands)

| | Commerce and Economic Opportunity | | | Natural Resources | | |
|---|-----------------------------------|------------------|-------------------|-------------------|------------------|-------------------|
| | Final | | Variance | Final | | Variance |
| | Budget | Actual | Over (Under) | Budget | Actual | Over (Under) |
| REVENUES: | | | | | | |
| Income taxes | | | | | | |
| Sales taxes | | | | | | |
| Public utility taxes | \$ 91,803 | \$ 85,423 | \$ (6,380) | | | |
| Federal government | 149,379 | 151,692 | 2,313 | \$ 8,860 | \$ 11,010 | \$ 2,150 |
| Other | 8,598 | 8,071 | (527) | 71,180 | 61,887 | (9,293) |
| Less: | | | | | | |
| Refunds | | | | 1,150 | 777 | (373) |
| Total revenues | 249,780 | 245,186 | (4,594) | 78,890 | 72,120 | (6,770) |
| EXPENDITURES: | | | | | | |
| Current: | | | | | | |
| Health and social services | 77,748 | 77,474 | (274) | | | |
| General government | 8 | 8 | - | 51 | 51 | - |
| Employment and economic development | 495,107 | 212,343 | (282,764) | | | |
| Transportation | | | | | | |
| Public protection and justice | | | | | | |
| Environment and business regulation | | | | 87,965 | 82,995 | (4,970) |
| Capital outlays | 97 | 72 | (25) | 1,387 | 876 | (511) |
| Total expenditures | 572,960 | 289,897 | (283,063) | 89,403 | 83,922 | (5,481) |
| Excess (deficiency) of revenues over (under) expenditures | (323,180) | (44,711) | 278,469 | (10,513) | (11,802) | (1,289) |
| OTHER SOURCES (USES) OF FINANCIAL RESOURCES: | | | | | | |
| Operating transfers-in | 81,088 | 81,088 | - | | | |
| Operating transfers-out | (51,008) | (51,008) | - | (5,218) | (5,218) | - |
| Total other sources (uses) of financial resources | 30,080 | 30,080 | - | (5,218) | (5,218) | - |
| Budgetary funds-nonbudgeted accounts | | | | | | |
| Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources, and budgetary funds-nonbudgeted accounts | (293,100) | (14,631) | 278,469 | (15,731) | (17,020) | (1,289) |
| Budgetary fund balances (deficits), July 1, 2008 | 40,388 | 40,388 | - | 109,789 | 109,789 | - |
| BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2009 | \$ (252,712) | \$ 25,757 | \$ 278,469 | \$ 94,058 | \$ 92,769 | \$ (1,289) |

| Financial and Professional Regulation | | | Human Services | | | Healthcare and Family Services | | |
|---------------------------------------|-----------|--------------------------|-----------------|-----------|--------------------------|--------------------------------|--------------|--------------------------|
| Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| | | | | | | | | |
| \$ 40,774 | \$ 39,024 | \$ (1,750) | \$ 87,888 | \$ 87,191 | \$ (697) | \$ 2,220,256 | \$ 2,877,343 | \$ 657,087 |
| | | | 28,101 | 31,679 | 3,578 | 3,661,252 | 3,886,439 | 225,187 |
| 11 | 6 | (5) | 100 | 53 | (47) | 9,750 | 91 | (9,659) |
| 40,763 | 39,018 | (1,745) | 115,889 | 118,817 | 2,928 | 5,871,758 | 6,763,691 | 891,933 |
| | | | | | | | | |
| | | | 127,105 | 98,051 | (29,054) | 7,621,405 | 6,643,601 | (977,804) |
| 355 | 354 | (1) | | | | 13,819 | 9,677 | (4,142) |
| | | | | | | | | |
| 59,101 | 52,212 | (6,889) | | | | | | |
| 283 | 245 | (38) | | | | 1,019 | 77 | (942) |
| 59,739 | 52,811 | (6,928) | 127,105 | 98,051 | (29,054) | 7,636,243 | 6,653,355 | (982,888) |
| | | | | | | | | |
| (18,976) | (13,793) | 5,183 | (11,216) | 20,766 | 31,982 | (1,764,485) | 110,336 | 1,874,821 |
| | | | | | | | | |
| 41,762 | 41,762 | - | 1 | 1 | - | 837,587 | 837,587 | - |
| (78,133) | (78,133) | - | (14,824) | (14,824) | - | (659,062) | (659,062) | - |
| (36,371) | (36,371) | - | (14,823) | (14,823) | - | 178,525 | 178,525 | - |
| | | | | | | | | |
| (229) | (229) | - | | | | | | |
| | | | | | | | | |
| (55,576) | (50,393) | 5,183 | (26,039) | 5,943 | 31,982 | (1,585,960) | 288,861 | 1,874,821 |
| | | | | | | | | |
| 74,190 | 74,190 | - | 32,721 | 32,721 | - | (230,282) | (230,282) | - |
| \$ 18,614 | \$ 23,797 | \$ 5,183 | \$ 6,682 | \$ 38,664 | \$ 31,982 | \$ (1,816,242) | \$ 58,579 | \$ 1,874,821 |

(continued)

State of Illinois

Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Special State Funds - Code Departments

For the Year Ended June 30, 2009 (Expressed in Thousands)

(continued)

| | Revenue | | | Transportation | | |
|---|-------------------|-------------------|--------------------------|--------------------|------------------|--------------------------|
| | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| REVENUES: | | | | | | |
| Income taxes | \$ 2,622,735 | \$ 2,622,735 | \$ - | | | |
| Sales taxes | 810,035 | 817,391 | 7,356 | | | |
| Public utility taxes | 222,906 | 222,906 | - | | | |
| Federal government | 13,680 | 13,680 | - | | | |
| Other | 2,318,884 | 1,705,271 | (613,613) | | | |
| Less: | | | | | | |
| Refunds | 1,577,836 | 1,567,851 | (9,985) | | | |
| Total revenues | 4,410,404 | 3,814,132 | (596,272) | | | |
| EXPENDITURES: | | | | | | |
| Current: | | | | | | |
| Health and social services | 960 | 703 | (257) | | | |
| General government | 3,205,057 | 3,153,991 | (51,066) | | | |
| Employment and economic development | 169,509 | 168,483 | (1,026) | | | |
| Transportation | | | | \$ 594,745 | \$ 529,735 | \$ (65,010) |
| Public protection and justice | | | | | | |
| Environment and business regulation | | | | | | |
| Capital outlays | 323 | 186 | (137) | | | |
| Total expenditures | 3,375,849 | 3,323,363 | (52,486) | 594,745 | 529,735 | (65,010) |
| Excess (deficiency) of revenues over (under) expenditures | 1,034,555 | 490,769 | (543,786) | (594,745) | (529,735) | 65,010 |
| OTHER SOURCES (USES) OF FINANCIAL RESOURCES: | | | | | | |
| Operating transfers-in | 1,430,015 | 1,430,015 | - | 534,305 | 534,305 | - |
| Operating transfers-out | (1,939,267) | (1,939,267) | - | (245) | (245) | - |
| Total other sources (uses) of financial resources | (509,252) | (509,252) | - | 534,060 | 534,060 | - |
| Budgetary funds-nonbudgeted accounts | | | | | | |
| Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources, and budgetary funds-nonbudgeted accounts | 525,303 | (18,483) | (543,786) | (60,685) | 4,325 | 65,010 |
| Budgetary fund balances (deficits), July 1, 2008 | 337,049 | 337,049 | - | 38,143 | 38,143 | - |
| BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2009 | \$ 862,352 | \$ 318,566 | \$ (543,786) | \$ (22,542) | \$ 42,468 | \$ 65,010 |

| Other Code Departments | | | Total | | |
|------------------------|------------|--------------------------|-----------------|--------------|--------------------------|
| Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| | | | \$ 2,622,735 | \$ 2,622,735 | \$ - |
| | | | 810,035 | 817,391 | 7,356 |
| | | | 314,709 | 308,329 | (6,380) |
| \$ 370,063 | \$ 419,904 | \$ 49,841 | 2,850,126 | 3,560,820 | 710,694 |
| 20,517 | 45,907 | 25,390 | 6,149,306 | 5,778,278 | (371,028) |
| | | | 1,588,847 | 1,568,778 | (20,069) |
| 390,580 | 465,811 | 75,231 | 11,158,064 | 11,518,775 | 360,711 |
| | | | | | |
| 431,136 | 349,117 | (82,019) | 8,258,354 | 7,168,946 | (1,089,408) |
| 1,800 | 1,483 | (317) | 3,221,090 | 3,165,564 | (55,526) |
| | | | 664,616 | 380,826 | (283,790) |
| | | | 594,745 | 529,735 | (65,010) |
| 63,250 | 14,843 | (48,407) | 63,250 | 14,843 | (48,407) |
| | | | 147,066 | 135,207 | (11,859) |
| 23,000 | 21,054 | (1,946) | 26,109 | 22,510 | (3,599) |
| 519,186 | 386,497 | (132,689) | 12,975,230 | 11,417,631 | (1,557,599) |
| | | | | | |
| (128,606) | 79,314 | 207,920 | (1,817,166) | 101,144 | 1,918,310 |
| | | | | | |
| 6 | 6 | - | 2,924,764 | 2,924,764 | - |
| (4,807) | (4,807) | - | (2,752,564) | (2,752,564) | - |
| (4,801) | (4,801) | - | 172,200 | 172,200 | - |
| | | | (229) | (229) | - |
| | | | | | |
| (133,407) | 74,513 | 207,920 | (1,645,195) | 273,115 | 1,918,310 |
| | | | | | |
| (68,720) | (68,720) | - | 333,278 | 333,278 | - |
| \$ (202,127) | \$ 5,793 | \$ 207,920 | \$ (1,311,917) | \$ 606,393 | \$ 1,918,310 |

State of Illinois

Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Special State Funds - Department of Commerce and Economic Opportunity

For the Year Ended June 30, 2009 (Expressed in Thousands)

| | Metropolitan Exposition Auditorium and Office Building | | | Supplemental Low Income Energy | | |
|--|---|------------------|--------------------------|--------------------------------|------------------|--------------------------|
| | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| REVENUES: | | | | | | |
| Public utility taxes | | | | \$ 91,803 | \$ 85,423 | \$ (6,380) |
| Federal government | | | | | | |
| Other | | | | 8,598 | 8,000 | (598) |
| Total revenues | | | | 100,401 | 93,423 | (6,978) |
| EXPENDITURES: | | | | | | |
| Current: | | | | | | |
| Health and social services | | | | 77,748 | 77,474 | (274) |
| General government | | | | 6 | 6 | - |
| Employment and economic development | | | | 26,152 | 12,173 | (13,979) |
| Capital outlays | | | | | | |
| Total expenditures | | | | 103,906 | 89,653 | (14,253) |
| Excess (deficiency) of revenues over (under) expenditures | | | | (3,505) | 3,770 | 7,275 |
| OTHER SOURCES (USES) OF FINANCIAL RESOURCES: | | | | | | |
| Operating transfers-in | \$ 37,924 | \$ 37,924 | \$ - | | | |
| Operating transfers-out | (39,248) | (39,248) | - | (40) | (40) | - |
| Total other sources (uses) of financial resources | (1,324) | (1,324) | - | (40) | (40) | - |
| Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources | (1,324) | (1,324) | - | (3,545) | 3,730 | 7,275 |
| Budgetary fund balances (deficits), July 1, 2008 | 18,194 | 18,194 | - | 16,848 | 16,848 | - |
| BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2009 | \$ 16,870 | \$ 16,870 | \$ - | \$ 13,303 | \$ 20,578 | \$ 7,275 |

| Tourism Promotion | | | Federal Workforce Training | | | Total | | |
|-------------------|-----------|--------------------------|----------------------------|-------------|--------------------------|-----------------|-----------|--------------------------|
| Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| | | | \$ 149,379 | \$ 151,692 | \$ 2,313 | \$ 91,803 | \$ 85,423 | \$ (6,380) |
| | | | - | 71 | 71 | 149,379 | 151,692 | 2,313 |
| | | | | | | 8,598 | 8,071 | (527) |
| | | | 149,379 | 151,763 | 2,384 | 249,780 | 245,186 | (4,594) |
| | | | | | | | | |
| | | | | | | 77,748 | 77,474 | (274) |
| \$ 2 | \$ 2 | \$ - | | | | 8 | 8 | - |
| 33,955 | 32,607 | (1,348) | 435,000 | 167,563 | (267,437) | 495,107 | 212,343 | (282,764) |
| 97 | 72 | (25) | | | | 97 | 72 | (25) |
| 34,054 | 32,681 | (1,373) | 435,000 | 167,563 | (267,437) | 572,960 | 289,897 | (283,063) |
| | | | | | | | | |
| (34,054) | (32,681) | 1,373 | (285,621) | (15,800) | 269,821 | (323,180) | (44,711) | 278,469 |
| | | | | | | | | |
| 43,164 | 43,164 | - | | | | 81,088 | 81,088 | - |
| (5,076) | (5,076) | - | (6,644) | (6,644) | - | (51,008) | (51,008) | - |
| 38,088 | 38,088 | - | (6,644) | (6,644) | - | 30,080 | 30,080 | - |
| | | | | | | | | |
| | | | | | | | | |
| 4,034 | 5,407 | 1,373 | (292,265) | (22,444) | 269,821 | (293,100) | (14,631) | 278,469 |
| | | | | | | | | |
| 23,690 | 23,690 | - | (18,344) | (18,344) | - | 40,388 | 40,388 | - |
| | | | | | | | | |
| \$ 27,724 | \$ 29,097 | \$ 1,373 | \$ (310,609) | \$ (40,788) | \$ 269,821 | \$ (252,712) | \$ 25,757 | \$ 278,469 |

State of Illinois

Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Special State Funds - Department of Natural Resources

For the Year Ended June 30, 2009 (Expressed in Thousands)

| | Wildlife and Fish | | | Open Space Lands Acquisition and Development | | |
|--|-------------------|------------------|-----------------------|--|------------------|-----------------------|
| | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| REVENUES: | | | | | | |
| Federal government | \$ 8,860 | \$ 11,010 | \$ 2,150 | | | |
| Other | 42,670 | 47,663 | 4,993 | \$ 28,510 | \$ 14,224 | \$ (14,286) |
| Less: | | | | | | |
| Refunds | 1,150 | 777 | (373) | | | |
| Total revenues | 50,380 | 57,896 | 7,516 | 28,510 | 14,224 | (14,286) |
| EXPENDITURES: | | | | | | |
| Current: | | | | | | |
| General government | 51 | 51 | - | | | |
| Environment and business regulation | 60,750 | 55,994 | (4,756) | 27,215 | 27,001 | (214) |
| Capital outlays | 1,387 | 876 | (511) | | | |
| Total expenditures | 62,188 | 56,921 | (5,267) | 27,215 | 27,001 | (214) |
| Excess (deficiency) of revenues over (under) expenditures | (11,808) | 975 | 12,783 | 1,295 | (12,777) | (14,072) |
| OTHER (USES) OF FINANCIAL RESOURCES: | | | | | | |
| Operating transfers-out | (5,139) | (5,139) | - | (79) | (79) | - |
| Total other (uses) of financial resources | (5,139) | (5,139) | - | (79) | (79) | - |
| Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources | (16,947) | (4,164) | 12,783 | 1,216 | (12,856) | (14,072) |
| Budgetary fund balances (deficits), July 1, 2008 | 23,004 | 23,004 | - | 86,785 | 86,785 | - |
| BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2009 | \$ 6,057 | \$ 18,840 | \$ 12,783 | \$ 88,001 | \$ 73,929 | \$ (14,072) |

| | | Total | |
|-----------------|-----------|------------|--------------------------|
| Final Budget | | Actual | Variance Over (Under) |
| \$ 8,860 | \$ 11,010 | \$ 2,150 | |
| 71,180 | 61,887 | (9,293) | |
| 1,150 | 777 | (373) | |
| 78,890 | 72,120 | (6,770) | |
| | | | |
| 51 | 51 | - | |
| 87,965 | 82,995 | (4,970) | |
| 1,387 | 876 | (511) | |
| 89,403 | 83,922 | (5,481) | |
| | | | |
| (10,513) | (11,802) | (1,289) | |
| | | | |
| (5,218) | (5,218) | - | |
| (5,218) | (5,218) | - | |
| | | | |
| (15,731) | (17,020) | (1,289) | |
| 109,789 | 109,789 | - | |
| \$ 94,058 | \$ 92,769 | \$ (1,289) | |

State of Illinois

Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Special State Funds - Department of Financial and Professional Regulation

For the Year Ended June 30, 2009 (Expressed in Thousands)

| | Professions Indirect Cost | | | Savings and Residential Finance Regulatory Fund | | |
|---|---------------------------|-----------------|--------------------------|--|-----------------|--------------------------|
| | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| REVENUES: | | | | | | |
| Other | \$ 206 | \$ 158 | \$ (48) | \$ 10,984 | \$ 7,781 | \$ (3,203) |
| Less: | | | | | | |
| Refunds | | | | 8 | 6 | (2) |
| Total revenues | 206 | 158 | (48) | 10,976 | 7,775 | (3,201) |
| EXPENDITURES: | | | | | | |
| Current: | | | | | | |
| General government | 162 | 162 | - | | | |
| Environment and business regulation | 38,214 | 33,340 | (4,874) | 4,904 | 4,123 | (781) |
| Capital outlays | 283 | 245 | (38) | | | |
| Total expenditures | 38,659 | 33,747 | (4,912) | 4,904 | 4,123 | (781) |
| Excess (deficiency) of revenues over (under) expenditures | (38,453) | (33,589) | 4,864 | 6,072 | 3,652 | (2,420) |
| OTHER SOURCES (USES) OF FINANCIAL RESOURCES: | | | | | | |
| Operating transfers-in | 41,758 | 41,758 | - | 1 | 1 | - |
| Operating transfers-out | (2,127) | (2,127) | - | (34,537) | (34,537) | - |
| Total other sources (uses) of financial resources | 39,631 | 39,631 | - | (34,536) | (34,536) | - |
| Budgetary funds-nonbudgeted accounts | | | | (18) | (18) | - |
| Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources, and budgetary funds-nonbudgeted accounts | 1,178 | 6,042 | 4,864 | (28,482) | (30,902) | (2,420) |
| Budgetary fund balances (deficits), July 1, 2008 | (4,131) | (4,131) | - | 33,849 | 33,849 | - |
| BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2009 | \$ (2,953) | \$ 1,911 | \$ 4,864 | \$ 5,367 | \$ 2,947 | \$ (2,420) |

| Bank and Trust Company | | | Total | | |
|------------------------|-----------|--------------------------|-----------------|-----------|--------------------------|
| Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| \$ 29,584 | \$ 31,085 | \$ 1,501 | \$ 40,774 | \$ 39,024 | \$ (1,750) |
| 3 | - | (3) | 11 | 6 | (5) |
| 29,581 | 31,085 | 1,504 | 40,763 | 39,018 | (1,745) |

| | | | | | |
|--------|--------|---------|--------|--------|---------|
| 193 | 192 | (1) | 355 | 354 | (1) |
| 15,983 | 14,749 | (1,234) | 59,101 | 52,212 | (6,889) |
| | | | 283 | 245 | (38) |
| 16,176 | 14,941 | (1,235) | 59,739 | 52,811 | (6,928) |

| | | | | | |
|--------|--------|-------|----------|----------|-------|
| 13,405 | 16,144 | 2,739 | (18,976) | (13,793) | 5,183 |
|--------|--------|-------|----------|----------|-------|

| | | | | | |
|----------|----------|---|----------|----------|---|
| 3 | 3 | - | 41,762 | 41,762 | - |
| (41,469) | (41,469) | - | (78,133) | (78,133) | - |
| (41,466) | (41,466) | - | (36,371) | (36,371) | - |
| (211) | (211) | - | (229) | (229) | - |

| | | | | | |
|-----------|-----------|----------|-----------|-----------|----------|
| (28,272) | (25,533) | 2,739 | (55,576) | (50,393) | 5,183 |
| 44,472 | 44,472 | - | 74,190 | 74,190 | - |
| \$ 16,200 | \$ 18,939 | \$ 2,739 | \$ 18,614 | \$ 23,797 | \$ 5,183 |

State of Illinois

**Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP)
Special State Funds - Department of Human Services**

For the Year Ended June 30, 2009 (Expressed in Thousands)

| | Mental Health | | | Community Mental Health Medicaid Trust | | |
|--|------------------|------------------|--------------------------|---|-----------------|--------------------------|
| | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| REVENUES: | | | | | | |
| Federal government | \$ - | \$ 13,163 | \$ 13,163 | \$ 87,888 | \$ 74,028 | \$ (13,860) |
| Other | 27,418 | 31,502 | 4,084 | 683 | 177 | (506) |
| Less: | | | | | | |
| Refunds | 100 | 53 | (47) | | | |
| Total revenues | 27,318 | 44,612 | 17,294 | 88,571 | 74,205 | (14,366) |
| EXPENDITURES: | | | | | | |
| Current: | | | | | | |
| Health and social services | 21,415 | 19,575 | (1,840) | 105,690 | 78,476 | (27,214) |
| Total expenditures | 21,415 | 19,575 | (1,840) | 105,690 | 78,476 | (27,214) |
| Excess (deficiency) of revenues over (under) expenditures | 5,903 | 25,037 | 19,134 | (17,119) | (4,271) | 12,848 |
| OTHER SOURCES (USES) OF FINANCIAL RESOURCES: | | | | | | |
| Operating transfers-in | | | | 1 | 1 | - |
| Operating transfers-out | (14,814) | (14,814) | - | (10) | (10) | - |
| Total other sources (uses) of financial resources | (14,814) | (14,814) | - | (9) | (9) | - |
| Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources | (8,911) | 10,223 | 19,134 | (17,128) | (4,280) | 12,848 |
| Budgetary fund balances (deficits), July 1, 2008 | 22,125 | 22,125 | - | 10,596 | 10,596 | - |
| BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2009 | \$ 13,214 | \$ 32,348 | \$ 19,134 | \$ (6,532) | \$ 6,316 | \$ 12,848 |

| | | | Total | |
|-----------------|-----------|-----------|--------------------------|--|
| Final Budget | | Actual | Variance Over (Under) | |
| \$ 87,888 | \$ 87,191 | \$ (697) | | |
| 28,101 | 31,679 | 3,578 | | |
| 100 | 53 | (47) | | |
| 115,889 | 118,817 | 2,928 | | |
| | | | | |
| 127,105 | 98,051 | (29,054) | | |
| 127,105 | 98,051 | (29,054) | | |
| | | | | |
| (11,216) | 20,766 | 31,982 | | |
| | | | | |
| 1 | 1 | - | | |
| (14,824) | (14,824) | - | | |
| (14,823) | (14,823) | - | | |
| | | | | |
| (26,039) | 5,943 | 31,982 | | |
| 32,721 | 32,721 | - | | |
| \$ 6,682 | \$ 38,664 | \$ 31,982 | | |

State of Illinois

Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Special State Funds - Department of Healthcare and Family Services

For the Year Ended June 30, 2009 (Expressed in Thousands)

| | University of Illinois Hospital Services | | | County Provider Trust | | |
|--|---|-------------------|--------------------------|-----------------------|-------------------|--------------------------|
| | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| REVENUES: | | | | | | |
| Federal government | \$ 152,200 | \$ 139,802 | \$ (12,398) | \$ 561,434 | \$ 751,527 | \$ 190,093 |
| Other | 97,100 | 71,854 | (25,246) | 567,996 | 748,073 | 180,077 |
| Less: | | | | | | |
| Refunds | | | | 1,000 | - | (1,000) |
| Total revenues | 249,300 | 211,656 | (37,644) | 1,128,430 | 1,499,600 | 371,170 |
| EXPENDITURES: | | | | | | |
| Current: | | | | | | |
| Health and social services | 270,000 | 264,089 | (5,911) | 1,981,619 | 1,479,082 | (502,537) |
| General government | | | | | | |
| Capital outlays | | | | | | |
| Total expenditures | 270,000 | 264,089 | (5,911) | 1,981,619 | 1,479,082 | (502,537) |
| Excess (deficiency) of revenues over (under) expenditures | (20,700) | (52,433) | (31,733) | (853,189) | 20,518 | 873,707 |
| OTHER SOURCES (USES) OF FINANCIAL RESOURCES: | | | | | | |
| Operating transfers-in | 44,700 | 44,700 | - | | | |
| Operating transfers-out | | | | | | |
| Total other sources (uses) of financial resources | 44,700 | 44,700 | - | | | |
| Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources | 24,000 | (7,733) | (31,733) | (853,189) | 20,518 | 873,707 |
| Budgetary fund balances (deficits), July 1, 2008 | - | - | - | (23,361) | (23,361) | - |
| BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2009 | \$ 24,000 | \$ (7,733) | \$ (31,733) | \$ (876,550) | \$ (2,843) | \$ 873,707 |

| Care Provider for Persons with Developmental Disabilities | | | Long Term Care Provider | | | Hospital Provider | | |
|--|-----------|--------------------------|-------------------------|------------|--------------------------|-------------------|------------|--------------------------|
| Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| \$ 15,696 | \$ 22,203 | \$ 6,507 | \$ 365,758 | \$ 455,006 | \$ 89,248 | \$ 603,777 | \$ 939,510 | \$ 335,733 |
| 21,438 | 19,849 | (1,589) | 344,636 | 282,740 | (61,896) | 726,098 | 899,745 | 173,647 |
| 1,000 | - | (1,000) | 2,750 | 91 | (2,659) | 5,000 | - | (5,000) |
| 36,134 | 42,052 | 5,918 | 707,644 | 737,655 | 30,011 | 1,324,875 | 1,839,255 | 514,380 |
| 50,129 | 40,037 | (10,092) | 928,737 | 688,657 | (240,080) | 1,610,000 | 1,609,998 | (2) |
| 50,129 | 40,037 | (10,092) | 928,737 | 688,657 | (240,080) | 1,610,000 | 1,609,998 | (2) |
| (13,995) | 2,015 | 16,010 | (221,093) | 48,998 | 270,091 | (285,125) | 229,257 | 514,382 |
| (1,005) | (1,005) | - | 30,024 | 30,024 | - | 510,000 | 510,000 | - |
| (1,005) | (1,005) | - | 30,024 | 30,024 | - | (640,556) | (640,556) | - |
| (1,005) | (1,005) | - | 30,024 | 30,024 | - | (130,556) | (130,556) | - |
| (15,000) | 1,010 | 16,010 | (191,069) | 79,022 | 270,091 | (415,681) | 98,701 | 514,382 |
| 1,212 | 1,212 | - | (70,170) | (70,170) | - | (4,652) | (4,652) | - |
| \$ (13,788) | \$ 2,222 | \$ 16,010 | \$ (261,239) | \$ 8,852 | \$ 270,091 | \$ (420,333) | \$ 94,049 | \$ 514,382 |

(continued)

State of Illinois

Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Special State Funds - Department of Healthcare and Family Services

For the Year Ended June 30, 2009 (Expressed in Thousands)

(continued)

| | Special Education Medicaid Matching | | | Health and Human Services Medicaid Trust | | |
|--|--|--------------------|--------------------------|--|------------------|--------------------------|
| | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| REVENUES: | | | | | | |
| Federal government | \$ 192,339 | \$ 163,111 | \$ (29,228) | | | |
| Other | | | | \$ 3,000 | \$ 1,463 | \$ (1,537) |
| Less: | | | | | | |
| Refunds | | | | | | |
| Total revenues | <u>192,339</u> | <u>163,111</u> | <u>(29,228)</u> | <u>3,000</u> | <u>1,463</u> | <u>(1,537)</u> |
| EXPENDITURES: | | | | | | |
| Current: | | | | | | |
| Health and social services | 200,000 | 136,616 | (63,384) | 38,450 | 29,855 | (8,595) |
| General government | | | | | | |
| Capital outlays | | | | | | |
| Total expenditures | <u>200,000</u> | <u>136,616</u> | <u>(63,384)</u> | <u>38,450</u> | <u>29,855</u> | <u>(8,595)</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(7,661)</u> | <u>26,495</u> | <u>34,156</u> | <u>(35,450)</u> | <u>(28,392)</u> | <u>7,058</u> |
| OTHER SOURCES (USES) OF FINANCIAL RESOURCES: | | | | | | |
| Operating transfers-in | | | | 20,000 | 20,000 | - |
| Operating transfers-out | | | | (8,500) | (8,500) | - |
| Total other sources (uses) of financial resources | | | | <u>11,500</u> | <u>11,500</u> | <u>-</u> |
| Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources | <u>(7,661)</u> | <u>26,495</u> | <u>34,156</u> | <u>(23,950)</u> | <u>(16,892)</u> | <u>7,058</u> |
| Budgetary fund balances (deficits), July 1, 2008 | <u>(40,061)</u> | <u>(40,061)</u> | <u>-</u> | <u>69,502</u> | <u>69,502</u> | <u>-</u> |
| BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2009 | <u>\$ (47,722)</u> | <u>\$ (13,566)</u> | <u>\$ 34,156</u> | <u>\$ 45,552</u> | <u>\$ 52,610</u> | <u>\$ 7,058</u> |

| Family Care | | | Drug Rebate Fund | | | Child Support Administrative | | |
|-----------------|------------------|--------------------------|---------------------|--------------------|--------------------------|------------------------------|----------------------|--------------------------|
| Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| \$ - 26,618 | \$ 200 27,875 | \$ 200 1,257 | \$ 170,158 1,220 | \$ 267,363 899 | \$ 97,205 (321) | \$ 120,416 38,967 | \$ 103,241 38,740 | \$ (17,175) (227) |
| 26,618 | 28,075 | 1,457 | 171,378 | 268,262 | 96,884 | 159,383 | 141,981 | (17,402) |
| 40,000 | 29,519 | (10,481) | 432,000 | 431,970 | (30) | 192,929 426 | 172,862 264 | (20,067) (162) |
| 40,000 | 29,519 | (10,481) | 432,000 | 431,970 | (30) | 1,019 194,374 | 77 173,203 | (942) (21,171) |
| (13,382) | (1,444) | 11,938 | (260,622) | (163,708) | 96,914 | (34,991) | (31,222) | 3,769 |
| | | | 197,863 (3,000) | 197,863 (3,000) | - - | 35,000 (1,001) | 35,000 (1,001) | - - |
| | | | 194,863 | 194,863 | - | 33,999 | 33,999 | - |
| (13,382) | (1,444) | 11,938 | (65,759) | 31,155 | 96,914 | (992) | 2,777 | 3,769 |
| (1,490) | (1,490) | - | (33,929) | (33,929) | - | (17,439) | (17,439) | - |
| \$ (14,872) | \$ (2,934) | \$ 11,938 | \$ (99,688) | \$ (2,774) | \$ 96,914 | \$ (18,431) | \$ (14,662) | \$ 3,769 |

(continued)

State of Illinois

Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Special State Funds - Department of Healthcare and Family Services

For the Year Ended June 30, 2009 (Expressed in Thousands)

(continued)

| | Health Insurance Reserve | | | Total | | |
|--|--------------------------|--------------------|--------------------------|-----------------------|------------------|--------------------------|
| | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| REVENUES: | | | | | | |
| Federal government | \$ 38,478 | \$ 35,380 | \$ (3,098) | \$ 2,220,256 | \$ 2,877,343 | \$ 657,087 |
| Other | 1,834,179 | 1,795,201 | (38,978) | 3,661,252 | 3,886,439 | 225,187 |
| Less: | | | | | | |
| Refunds | | | | 9,750 | 91 | (9,659) |
| Total revenues | 1,872,657 | 1,830,581 | (42,076) | 5,871,758 | 6,763,691 | 891,933 |
| EXPENDITURES: | | | | | | |
| Current: | | | | | | |
| Health and social services | 1,877,541 | 1,760,916 | (116,625) | 7,621,405 | 6,643,601 | (977,804) |
| General government | 13,393 | 9,413 | (3,980) | 13,819 | 9,677 | (4,142) |
| Capital outlays | | | | 1,019 | 77 | (942) |
| Total expenditures | 1,890,934 | 1,770,329 | (120,605) | 7,636,243 | 6,653,355 | (982,888) |
| Excess (deficiency) of revenues over (under) expenditures | (18,277) | 60,252 | 78,529 | (1,764,485) | 110,336 | 1,874,821 |
| OTHER SOURCES (USES) OF FINANCIAL RESOURCES: | | | | | | |
| Operating transfers-in | | | | 837,587 | 837,587 | - |
| Operating transfers-out | (5,000) | (5,000) | - | (659,062) | (659,062) | - |
| Total other sources (uses) of financial resources | (5,000) | (5,000) | - | 178,525 | 178,525 | - |
| Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources | (23,277) | 55,252 | 78,529 | (1,585,960) | 288,861 | 1,874,821 |
| Budgetary fund balances (deficits), July 1, 2008 | (109,894) | (109,894) | - | (230,282) | (230,282) | - |
| BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2009 | \$ (133,171) | \$ (54,642) | \$ 78,529 | \$ (1,816,242) | \$ 58,579 | \$ 1,874,821 |

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State of Illinois

Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Special State Funds - Department of Revenue

For the Year Ended June 30, 2009 (Expressed in Thousands)

| | State Gaming | | | Rental Housing Support Program | | |
|--|-------------------|------------------|-----------------------|--------------------------------|-----------------|-----------------------|
| | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| REVENUES: | | | | | | |
| Income taxes | | | | | | |
| Sales taxes | | | | | | |
| Public utility taxes | | | | | | |
| Federal government | | | | | | |
| Other | \$ 759,420 | \$ 553,181 | \$ (206,239) | \$ 22,997 | \$ 17,508 | \$ (5,489) |
| Less: | | | | | | |
| Refunds | | | | | | |
| Total revenues | 759,420 | 553,181 | (206,239) | 22,997 | 17,508 | (5,489) |
| EXPENDITURES: | | | | | | |
| Current: | | | | | | |
| Health and social services | 960 | 703 | (257) | | | |
| General government | 138,650 | 107,455 | (31,195) | 42,100 | 33,161 | (8,939) |
| Employment and economic development | | | | | | |
| Capital outlays | 20 | 15 | (5) | | | |
| Total expenditures | 139,630 | 108,173 | (31,457) | 42,100 | 33,161 | (8,939) |
| Excess (deficiency) of revenues over (under) expenditures | 619,790 | 445,008 | (174,782) | (19,103) | (15,653) | 3,450 |
| OTHER SOURCES (USES) OF FINANCIAL RESOURCES: | | | | | | |
| Operating transfers-in | 3 | 3 | - | | | |
| Operating transfers-out | (430,007) | (430,007) | - | | | |
| Total other sources (uses) of financial resources | (430,004) | (430,004) | - | | | |
| Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources | 189,786 | 15,004 | (174,782) | (19,103) | (15,653) | 3,450 |
| Budgetary fund balances (deficits), July 1, 2008 | (5,859) | (5,859) | - | 20,689 | 20,689 | - |
| BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2009 | \$ 183,927 | \$ 9,145 | \$ (174,782) | \$ 1,586 | \$ 5,036 | \$ 3,450 |

| State and Local Sales Tax Reform | | | RTA Occupational and Use Tax Replacement | | | Illinois Sports Facilities | | |
|----------------------------------|------------|--------------------------|---|------------|--------------------------|----------------------------|-----------|--------------------------|
| Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| \$ 245,354 | \$ 255,103 | \$ 9,749 | | | | | | |
| 245,354 | - | (245,354) | | | | \$ 42,000 | \$ 39,500 | \$ (2,500) |
| 490,708 | 255,103 | (235,605) | | | | 42,000 | 39,500 | (2,500) |
| 53,804 | 53,804 | - | \$ 26,901 | \$ 26,901 | \$ - | 37,513 | 37,513 | - |
| 53,804 | 53,804 | - | 26,901 | 26,901 | - | 37,513 | 37,513 | - |
| 436,904 | 201,299 | (235,605) | (26,901) | (26,901) | - | 4,487 | 1,987 | (2,500) |
| 1 | 1 | - | 26,219 | 26,219 | - | | | |
| (208,087) | (208,087) | - | (1) | (1) | - | | | |
| (208,086) | (208,086) | - | 26,218 | 26,218 | - | | | |
| 228,818 | (6,787) | (235,605) | (683) | (683) | - | 4,487 | 1,987 | (2,500) |
| 44,119 | 44,119 | - | (1,686) | (1,686) | - | - | - | - |
| \$ 272,937 | \$ 37,332 | \$ (235,605) | \$ (2,369) | \$ (2,369) | \$ - | \$ 4,487 | \$ 1,987 | \$ (2,500) |

(continued)

State of Illinois

Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Special State Funds - Department of Revenue

For the Year Ended June 30, 2009 (Expressed in Thousands)

(continued)

| | Income Tax Refund | | | McCormick Place Expansion Project | | |
|--|-------------------|-----------------|--------------------------|-----------------------------------|-----------------|--------------------------|
| | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| REVENUES: | | | | | | |
| Income taxes | \$ 1,580,223 | \$ 1,580,223 | \$ - | | | |
| Sales taxes | | | | \$ 164,240 | \$ 161,847 | \$ (2,393) |
| Public utility taxes | | | | | | |
| Federal government | 13,680 | 13,680 | - | | | |
| Other | | | | 164,240 | - | (164,240) |
| Less: | | | | | | |
| Refunds | 1,577,788 | 1,567,826 | (9,962) | | | |
| Total revenues | 16,115 | 26,077 | 9,962 | 328,480 | 161,847 | (166,633) |
| EXPENDITURES: | | | | | | |
| Current: | | | | | | |
| Health and social services | | | | | | |
| General government | | | | | | |
| Employment and economic development | | | | 131,996 | 130,970 | (1,026) |
| Capital outlays | | | | | | |
| Total expenditures | | | | 131,996 | 130,970 | (1,026) |
| Excess (deficiency) of revenues over (under) expenditures | 16,115 | 26,077 | 9,962 | 196,484 | 30,877 | (165,607) |
| OTHER SOURCES (USES) OF FINANCIAL RESOURCES: | | | | | | |
| Operating transfers-in | 4,072 | 4,072 | - | | | |
| Operating transfers-out | (95,382) | (95,382) | - | (33,367) | (33,367) | - |
| Total other sources (uses) of financial resources | (91,310) | (91,310) | - | (33,367) | (33,367) | - |
| Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources | (75,195) | (65,233) | 9,962 | 163,117 | (2,490) | (165,607) |
| Budgetary fund balances (deficits), July 1, 2008 | 66,248 | 66,248 | - | 10,200 | 10,200 | - |
| BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2009 | \$ (8,947) | \$ 1,015 | \$ 9,962 | \$ 173,317 | \$ 7,710 | \$ (165,607) |

| Local Government Distributive | | | State Lottery | | | Personal Property Tax Replacement | | |
|-------------------------------|--------------|--------------------------|-----------------|-------------|--------------------------|-----------------------------------|--------------|--------------------------|
| Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| | | | | | | \$ 1,042,512 | \$ 1,042,512 | \$ - |
| | | | | | | 222,906 | 222,906 | - |
| | | | \$ 975,692 | \$ 985,901 | \$ 10,209 | 1,772 | 1,772 | - |
| | | | 48 | 25 | (23) | | | |
| | | | 975,644 | 985,876 | 10,232 | 1,267,190 | 1,267,190 | - |
| \$ 1,177,348 | \$ 1,177,123 | \$ (225) | 376,201 | 366,413 | (9,788) | 1,390,053 | 1,389,134 | (919) |
| | | | 290 | 162 | (128) | 13 | 9 | (4) |
| 1,177,348 | 1,177,123 | (225) | 376,491 | 366,575 | (9,916) | 1,390,066 | 1,389,143 | (923) |
| (1,177,348) | (1,177,123) | 225 | 599,153 | 619,301 | 20,148 | (122,876) | (121,953) | 923 |
| 1,260,731 | 1,260,731 | - | 229 | 229 | - | 99,294 | 99,294 | - |
| (44) | (44) | - | (625,012) | (625,012) | - | (51) | (51) | - |
| 1,260,687 | 1,260,687 | - | (624,783) | (624,783) | - | 99,243 | 99,243 | - |
| 83,339 | 83,564 | 225 | (25,630) | (5,482) | 20,148 | (23,633) | (22,710) | 923 |
| (10,948) | (10,948) | - | (17,480) | (17,480) | - | 231,766 | 231,766 | - |
| \$ 72,391 | \$ 72,616 | \$ 225 | \$ (43,110) | \$ (22,962) | \$ 20,148 | \$ 208,133 | \$ 209,056 | \$ 923 |

(continued)

State of Illinois

Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Special State Funds - Department of Revenue

For the Year Ended June 30, 2009 (Expressed in Thousands)

(continued)

| | Build Illinois | | | Total | | |
|--|------------------|------------------|--------------------------|-------------------|-------------------|--------------------------|
| | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| REVENUES: | | | | | | |
| Income taxes | | | | \$ 2,622,735 | \$ 2,622,735 | \$ - |
| Sales taxes | \$ 400,441 | \$ 400,441 | \$ - | 810,035 | 817,391 | 7,356 |
| Public utility taxes | | | | 222,906 | 222,906 | - |
| Federal government | | | | 13,680 | 13,680 | - |
| Other | 107,409 | 107,409 | - | 2,318,884 | 1,705,271 | (613,613) |
| Less: | | | | | | |
| Refunds | | | | 1,577,836 | 1,567,851 | (9,985) |
| Total revenues | 507,850 | 507,850 | - | 4,410,404 | 3,814,132 | (596,272) |
| EXPENDITURES: | | | | | | |
| Current: | | | | | | |
| Health and social services | | | | 960 | 703 | (257) |
| General government | | | | 3,205,057 | 3,153,991 | (51,066) |
| Employment and economic development | | | | 169,509 | 168,483 | (1,026) |
| Capital outlays | | | | 323 | 186 | (137) |
| Total expenditures | | | | 3,375,849 | 3,323,363 | (52,486) |
| Excess (deficiency) of revenues over (under) expenditures | 507,850 | 507,850 | - | 1,034,555 | 490,769 | (543,786) |
| OTHER SOURCES (USES) OF FINANCIAL RESOURCES: | | | | | | |
| Operating transfers-in | 39,466 | 39,466 | - | 1,430,015 | 1,430,015 | - |
| Operating transfers-out | (547,316) | (547,316) | - | (1,939,267) | (1,939,267) | - |
| Total other sources (uses) of financial resources | (507,850) | (507,850) | - | (509,252) | (509,252) | - |
| Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources | - | - | - | 525,303 | (18,483) | (543,786) |
| Budgetary fund balances (deficits), July 1, 2008 | - | - | - | 337,049 | 337,049 | - |
| BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2009 | \$ - | \$ - | \$ - | \$ 862,352 | \$ 318,566 | \$ (543,786) |

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State of Illinois

Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Special State Funds - Department of Transportation

For the Year Ended June 30, 2009 (Expressed in Thousands)

| | Public Transportation | | | Downstate Public Transportation | | |
|--|-----------------------|------------------|--------------------------|---------------------------------|------------------|--------------------------|
| | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| EXPENDITURES: | | | | | | |
| Current: | | | | | | |
| General government | \$ 453,500 | \$ 401,159 | \$ (52,341) | \$ 141,245 | \$ 128,576 | \$ (12,669) |
| Total expenditures | 453,500 | 401,159 | (52,341) | 141,245 | 128,576 | (12,669) |
| Excess (deficiency) of revenues over (under) expenditures | (453,500) | (401,159) | 52,341 | (141,245) | (128,576) | 12,669 |
| OTHER SOURCES (USES) OF FINANCIAL RESOURCES: | | | | | | |
| Operating transfers-in | 382,360 | 382,360 | - | 151,945 | 151,945 | - |
| Operating transfers-out | (199) | (199) | - | (46) | (46) | - |
| Total other sources (uses) of financial resources | 382,161 | 382,161 | - | 151,899 | 151,899 | - |
| Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources | (71,339) | (18,998) | 52,341 | 10,654 | 23,323 | 12,669 |
| Budgetary fund balances (deficits), July 1, 2008 | 18,267 | 18,267 | - | 19,876 | 19,876 | - |
| BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2009 | \$ (53,072) | \$ (731) | \$ 52,341 | \$ 30,530 | \$ 43,199 | \$ 12,669 |

State of Illinois

Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Special State - Other Code Departments

For the Year Ended June 30, 2009 (Expressed in Thousands)

| | Children and Family Services | | | Corrections | | |
|--|------------------------------|--------------------|--------------------------|---------------------------|-----------------|--------------------------|
| | DCFS Children's Services | | | Corrections Reimbursement | | |
| | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| REVENUES: | | | | | | |
| Federal government | \$ 353,130 | \$ 404,031 | \$ 50,901 | \$ 16,933 | \$ 15,873 | \$ (1,060) |
| Other | 1,820 | 2,291 | 471 | 17,587 | 16,803 | (784) |
| Total revenues | 354,950 | 406,322 | 51,372 | 34,520 | 32,676 | (1,844) |
| EXPENDITURES: | | | | | | |
| Current: | | | | | | |
| Health and social services | 431,136 | 349,117 | (82,019) | | | |
| General government | 1,605 | 1,288 | (317) | 1 | 1 | - |
| Public protection and justice | | | | 61,000 | 12,654 | (48,346) |
| Capital outlays | | | | 23,000 | 21,054 | (1,946) |
| Total expenditures | 432,741 | 350,405 | (82,336) | 84,001 | 33,709 | (50,292) |
| Excess (deficiency) of revenues over (under) expenditures | (77,791) | 55,917 | 133,708 | (49,481) | (1,033) | 48,448 |
| OTHER SOURCES (USES) OF FINANCIAL RESOURCES: | | | | | | |
| Operating transfers-in | 6 | 6 | - | | | |
| Operating transfers-out | (455) | (455) | - | (2,352) | (2,352) | - |
| Total other sources (uses) of financial resources | (449) | (449) | - | (2,352) | (2,352) | - |
| Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources | (78,240) | 55,468 | 133,708 | (51,833) | (3,385) | 48,448 |
| Budgetary fund balances (deficits), July 1, 2008 | (75,743) | (75,743) | - | 2,657 | 2,657 | - |
| BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2009 | \$ (153,983) | \$ (20,275) | \$ 133,708 | \$ (49,176) | \$ (728) | \$ 48,448 |

| State Police | | | | | |
|-----------------------------------|-----------|--------------|--------------|------------|--------------|
| State Police Whistleblower Reward | | | Total | | |
| Final | | Variance | Final | | Variance |
| Budget | Actual | Over (Under) | Budget | Actual | Over (Under) |
| \$ 1,110 | \$ 26,813 | \$ 25,703 | \$ 370,063 | \$ 419,904 | \$ 49,841 |
| 1,110 | 26,813 | 25,703 | 20,517 | 45,907 | 25,390 |
| | | | 390,580 | 465,811 | 75,231 |
| | | | | | |
| | | | 431,136 | 349,117 | (82,019) |
| 194 | 194 | - | 1,800 | 1,483 | (317) |
| 2,250 | 2,189 | (61) | 63,250 | 14,843 | (48,407) |
| | | | 23,000 | 21,054 | (1,946) |
| 2,444 | 2,383 | (61) | 519,186 | 386,497 | (132,689) |
| | | | | | |
| (1,334) | 24,430 | 25,764 | (128,606) | 79,314 | 207,920 |
| | | | | | |
| | | | 6 | 6 | - |
| (2,000) | (2,000) | - | (4,807) | (4,807) | - |
| (2,000) | (2,000) | - | (4,801) | (4,801) | - |
| | | | | | |
| (3,334) | 22,430 | 25,764 | (133,407) | 74,513 | 207,920 |
| | | | | | |
| 4,366 | 4,366 | - | (68,720) | (68,720) | - |
| \$ 1,032 | \$ 26,796 | \$ 25,764 | \$ (202,127) | \$ 5,793 | \$ 207,920 |

State of Illinois

Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Special State - Agencies, Boards and Commissions

For the Year Ended June 30, 2009 (Expressed in Thousands)

| | Environmental Protection Agency | | | Other Agencies, Boards, and Commissions | | |
|--|---------------------------------|-------------------|-----------------------|---|------------------|-----------------------|
| | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| REVENUES: | | | | | | |
| Motor fuel taxes | \$ 76,789 | \$ 74,779 | \$ (2,010) | | | |
| Public utility taxes | | | | \$ 151,001 | \$ 155,367 | \$ 4,366 |
| Federal government | 70,000 | 39,534 | (30,466) | 200 | - | (200) |
| Other | 104,148 | 155,988 | 51,840 | 205,420 | 127,261 | (78,159) |
| Less: | | | | | | |
| Refunds | 16 | 4 | (12) | 6 | 6 | - |
| Total revenues | 250,921 | 270,297 | 19,376 | 356,615 | 282,622 | (73,993) |
| EXPENDITURES: | | | | | | |
| Current: | | | | | | |
| Health and social services | | | | 15,946 | 5,496 | (10,450) |
| Education | | | | 2,559 | 2,550 | (9) |
| General government | 4,838 | 4,583 | (255) | 76,138 | 34,217 | (41,921) |
| Employment and economic development | | | | 31,570 | 30,752 | (818) |
| Public protection and justice | 3,565 | 3,057 | (508) | 22,319 | 19,103 | (3,216) |
| Environment and business regulation | 300,980 | 288,648 | (12,332) | 56,600 | 56,555 | (45) |
| Capital outlays | 419 | 186 | (233) | 690 | 44 | (646) |
| Total expenditures | 309,802 | 296,474 | (13,328) | 205,822 | 148,717 | (57,105) |
| Excess (deficiency) of revenues over (under) expenditures | (58,881) | (26,177) | 32,704 | 150,793 | 133,905 | (16,888) |
| OTHER SOURCES (USES) OF FINANCIAL RESOURCES: | | | | | | |
| Operating transfers-in | 30,000 | 30,000 | - | 107,412 | 107,412 | - |
| Operating transfers-out | (14,128) | (14,128) | - | (230,769) | (230,769) | - |
| Total other sources (uses) of financial resources | 15,872 | 15,872 | - | (123,357) | (123,357) | - |
| Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources | (43,009) | (10,305) | 32,704 | 27,436 | 10,548 | (16,888) |
| Budgetary fund balances (deficits), July 1, 2008 | 429,206 | 429,206 | - | 35,176 | 35,176 | - |
| BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2009 | \$ 386,197 | \$ 418,901 | \$ 32,704 | \$ 62,612 | \$ 45,724 | \$ (16,888) |

| Total | | |
|-----------------|------------|--------------------------|
| Final Budget | Actual | Variance Over (Under) |
| \$ 76,789 | \$ 74,779 | \$ (2,010) |
| 151,001 | 155,367 | 4,366 |
| 70,200 | 39,534 | (30,666) |
| 309,568 | 283,249 | (26,319) |
| 22 | 10 | (12) |
| 607,536 | 552,919 | (54,617) |
| 15,946 | 5,496 | (10,450) |
| 2,559 | 2,550 | (9) |
| 80,976 | 38,800 | (42,176) |
| 31,570 | 30,752 | (818) |
| 25,884 | 22,160 | (3,724) |
| 357,580 | 345,203 | (12,377) |
| 1,109 | 230 | (879) |
| 515,624 | 445,191 | (70,433) |
| 91,912 | 107,728 | 15,816 |
| 137,412 | 137,412 | - |
| (244,897) | (244,897) | - |
| (107,485) | (107,485) | - |
| (15,573) | 243 | 15,816 |
| 464,382 | 464,382 | - |
| \$ 448,809 | \$ 464,625 | \$ 15,816 |

State of Illinois

**Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP)
Special State- Environmental Protection Agency**

For the Year Ended June 30, 2009 (Expressed in Thousands)

| | Underground Storage Tank | | | Water Revolving Fund | | |
|--|--------------------------|-----------------|--------------------------|----------------------|-------------------|--------------------------|
| | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| REVENUES: | | | | | | |
| Motor fuel taxes | \$ 76,789 | \$ 74,779 | \$ (2,010) | | | |
| Federal government | | | | \$ 70,000 | \$ 39,534 | \$ (30,466) |
| Other | 68 | 61 | (7) | 104,000 | 156,085 | 52,085 |
| Less: | | | | | | |
| Refunds | 16 | 4 | (12) | | | |
| Total revenues | 76,841 | 74,836 | (2,005) | 174,000 | 195,619 | 21,619 |
| EXPENDITURES: | | | | | | |
| Current: | | | | | | |
| General government | 1,196 | 1,147 | (49) | 18 | 18 | - |
| Public Protection and justice | 3,565 | 3,057 | (508) | | | |
| Environment and business regulation | 58,794 | 55,652 | (3,142) | 215,881 | 214,290 | (1,591) |
| Capital outlays | 172 | 40 | (132) | | | |
| Total expenditures | 63,727 | 59,896 | (3,831) | 215,899 | 214,308 | (1,591) |
| Excess (deficiency) of revenues over (under) expenditures | 13,114 | 14,940 | 1,826 | (41,899) | (18,689) | 23,210 |
| OTHER SOURCES (USES) OF FINANCIAL RESOURCES: | | | | | | |
| Operating transfers-in | | | | | | |
| Operating transfers-out | (14,084) | (14,084) | - | | | |
| Total other sources (uses) of financial resources | (14,084) | (14,084) | - | | | |
| Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources | (970) | 856 | 1,826 | (41,899) | (18,689) | 23,210 |
| Budgetary fund balances (deficits), July 1, 2008 | 3,840 | 3,840 | - | 421,011 | 421,011 | - |
| BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2009 | \$ 2,870 | \$ 4,696 | \$ 1,826 | \$ 379,112 | \$ 402,322 | \$ 23,210 |

| Vehicle Inspection | | | Total | | |
|--------------------|-----------|--------------------------|-----------------|------------|--------------------------|
| Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| | | | \$ 76,789 | \$ 74,779 | \$ (2,010) |
| | | | 70,000 | 39,534 | (30,466) |
| \$ 80 | \$ (158) | \$ (238) | 104,148 | 155,988 | 51,840 |
| | | | 16 | 4 | (12) |
| 80 | (158) | (238) | 250,921 | 270,297 | 19,376 |
| | | | | | |
| 3,624 | 3,418 | (206) | 4,838 | 4,583 | (255) |
| | | | 3,565 | 3,057 | (508) |
| 26,305 | 18,706 | (7,599) | 300,980 | 288,648 | (12,332) |
| 247 | 146 | (101) | 419 | 186 | (233) |
| 30,176 | 22,270 | (7,906) | 309,802 | 296,474 | (13,328) |
| | | | | | |
| (30,096) | (22,428) | 7,668 | (58,881) | (26,177) | 32,704 |
| | | | | | |
| 30,000 | 30,000 | - | 30,000 | 30,000 | - |
| (44) | (44) | - | (14,128) | (14,128) | - |
| 29,956 | 29,956 | - | 15,872 | 15,872 | - |
| | | | | | |
| (140) | 7,528 | 7,668 | (43,009) | (10,305) | 32,704 |
| | | | | | |
| 4,355 | 4,355 | - | 429,206 | 429,206 | - |
| \$ 4,215 | \$ 11,883 | \$ 7,668 | \$ 386,197 | \$ 418,901 | \$ 32,704 |

State of Illinois

Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Special State - Other Agencies, Boards and Commissions

For the Year Ended June 30, 2009 (Expressed in Thousands)

| | Housing Development Authority Illinois Affordable Housing Trust | | | Metropolitan Pier and Exposition Authority MFEA Improvement Bond | | |
|--|--|-----------------|--------------------------|---|-----------------|--------------------------|
| | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| REVENUES: | | | | | | |
| Public utility taxes | | | | | | |
| Federal government | | | | | | |
| Other | \$ 65,151 | \$ 41,545 | \$ (23,606) | | | |
| Less: | | | | | | |
| Refunds | | | | | | |
| Total revenues | 65,151 | 41,545 | (23,606) | | | |
| EXPENDITURES: | | | | | | |
| Current: | | | | | | |
| Health and social services | 14,523 | 4,608 | (9,915) | | | |
| Education | | | | | | |
| General government | 75,300 | 33,470 | (41,830) | | | |
| Employment and economic development | | | | \$ 31,570 | \$ 30,752 | \$ (818) |
| Public protection and justice | | | | | | |
| Environment and business regulation | | | | | | |
| Capital outlays | | | | | | |
| Total expenditures | 89,823 | 38,078 | (51,745) | 31,570 | 30,752 | (818) |
| Excess (deficiency) of revenues over (under) expenditures | (24,672) | 3,467 | 28,139 | (31,570) | (30,752) | 818 |
| OTHER SOURCES (USES) OF FINANCIAL RESOURCES: | | | | | | |
| Operating transfers-in | 2 | 2 | - | 30,752 | 30,752 | - |
| Operating transfers-out | (2,005) | (2,005) | - | | | |
| Total other sources (uses) of financial resources | (2,003) | (2,003) | - | 30,752 | 30,752 | - |
| Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources | (26,675) | 1,464 | 28,139 | (818) | - | 818 |
| Budgetary fund balances (deficits), July 1, 2008 | 231 | 231 | - | 5 | 5 | - |
| BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2009 | \$ (26,444) | \$ 1,695 | \$ 28,139 | \$ (813) | \$ 5 | \$ 818 |

| Illinois Commerce Commission | | | State Board of Education | | | State Fire Marshal | | |
|------------------------------|-----------|--------------------------|--------------------------|------------|--------------------------|--------------------|-----------|--------------------------|
| Wireless Service Emergency | | | School Infrastructure | | | Fire Prevention | | |
| Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| \$ 57,683 | \$ 54,748 | \$ (2,935) | \$ 93,318 | \$ 100,619 | \$ 7,301 | \$ 200 | \$ - | \$ (200) |
| 57,683 | - | (57,683) | 60,000 | 60,000 | - | 22,586 | 25,716 | 3,130 |
| | | | | | | 6 | 6 | - |
| 115,366 | 54,748 | (60,618) | 153,318 | 160,619 | 7,301 | 22,780 | 25,710 | 2,930 |
| | | | | | | | | |
| | | | | | | 1,423 | 888 | (535) |
| | | | 113 | 104 | (9) | 2,446 | 2,446 | - |
| | | | 665 | 589 | (76) | 173 | 158 | (15) |
| | | | | | | 22,319 | 19,103 | (3,216) |
| 56,600 | 56,555 | (45) | | | | 690 | 44 | (646) |
| 56,600 | 56,555 | (45) | 778 | 693 | (85) | 27,051 | 22,639 | (4,412) |
| | | | | | | | | |
| 58,766 | (1,807) | (60,573) | 152,540 | 159,926 | 7,386 | (4,271) | 3,071 | 7,342 |
| | | | | | | | | |
| 13,339 | 13,339 | - | 63,319 | 63,319 | - | | | |
| | | | (228,062) | (228,062) | - | (702) | (702) | - |
| 13,339 | 13,339 | - | (164,743) | (164,743) | - | (702) | (702) | - |
| | | | | | | | | |
| 72,105 | 11,532 | (60,573) | (12,203) | (4,817) | 7,386 | (4,973) | 2,369 | 7,342 |
| | | | | | | | | |
| 8,670 | 8,670 | - | 7,856 | 7,856 | - | 18,414 | 18,414 | - |
| \$ 80,775 | \$ 20,202 | \$ (60,573) | \$ (4,347) | \$ 3,039 | \$ 7,386 | \$ 13,441 | \$ 20,783 | \$ 7,342 |

(continued)

State of Illinois

Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Special State - Other Agencies, Boards and Commissions

For the Year Ended June 30, 2009 (Expressed in Thousands)

| | Total | | |
|--|------------------|------------------|--------------------------|
| | Final Budget | Actual | Variance Over (Under) |
| REVENUES: | | | |
| Public utility taxes | \$ 151,001 | \$ 155,367 | \$ 4,366 |
| Federal government | 200 | - | (200) |
| Other | 205,420 | 127,261 | (78,159) |
| Less: | | | |
| Refunds | 6 | 6 | - |
| Total revenues | 356,615 | 282,622 | (73,993) |
| EXPENDITURES: | | | |
| Current: | | | |
| Health and social services | 15,946 | 5,496 | (10,450) |
| Education | 2,559 | 2,550 | (9) |
| General government | 76,138 | 34,217 | (41,921) |
| Employment and economic development | 31,570 | 30,752 | (818) |
| Public protection and justice | 22,319 | 19,103 | (3,216) |
| Environment and business regulation | 56,600 | 56,555 | (45) |
| Capital outlays | 690 | 44 | (646) |
| Total expenditures | 205,822 | 148,717 | (57,105) |
| Excess (deficiency) of revenues over (under) expenditures | 150,793 | 133,905 | (16,888) |
| OTHER SOURCES (USES) OF FINANCIAL RESOURCES: | | | |
| Operating transfers-in | 107,412 | 107,412 | - |
| Operating transfers-out | (230,769) | (230,769) | - |
| Total other sources (uses) of financial resources | (123,357) | (123,357) | - |
| Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources | 27,436 | 10,548 | (16,888) |
| Budgetary fund balances (deficits), July 1, 2008 | 35,176 | 35,176 | - |
| BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2009 | \$ 62,612 | \$ 45,724 | \$ (16,888) |

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State of Illinois

Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Bond Financed Funds

For the Year Ended June 30, 2009 (Expressed in Thousands)

| | Transportation | | | Capital Development Board | | |
|--|------------------------------|-----------|--------------------------|---------------------------|-----------|--------------------------|
| | Transportation Bond Series B | | | Capital Development | | |
| | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| REVENUES: | | | | | | |
| Other | | | | \$ - | \$ 53 | \$ 53 |
| Total revenues | | | | - | 53 | 53 |
| EXPENDITURES: | | | | | | |
| Current: | | | | | | |
| Education | | | | 513 | 513 | - |
| General government | | | | 14,315 | 13,279 | (1,036) |
| Employment and economic development | | | | 3,760 | 2,157 | (1,603) |
| Transportation | \$ 45,533 | \$ 45,529 | \$ (4) | | | |
| Environment and business regulation | | | | 6,321 | 6,096 | (225) |
| Capital outlays | | | | 63,154 | 62,858 | (296) |
| Total expenditures | 45,533 | 45,529 | (4) | 88,063 | 84,903 | (3,160) |
| Excess (deficiency) of revenues over (under) expenditures | (45,533) | (45,529) | 4 | (88,063) | (84,850) | 3,213 |
| OTHER SOURCES (USES) OF FINANCIAL RESOURCES: | | | | | | |
| Proceeds from general and special obligation bond issues | 60,580 | 60,580 | - | 65,629 | 65,629 | - |
| Total other sources (uses) of financial resources | 60,580 | 60,580 | - | 65,629 | 65,629 | - |
| Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources | 15,047 | 15,051 | 4 | (22,434) | (19,221) | 3,213 |
| Budgetary fund balances (deficits), July 1, 2008 | 312 | 312 | - | 33,988 | 33,988 | - |
| BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2009 | \$ 15,359 | \$ 15,363 | \$ 4 | \$ 11,554 | \$ 14,767 | \$ 3,213 |

| Other | | | Total | | |
|-----------------|-----------|--------------------------|-----------------|-----------|--------------------------|
| Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| \$ - | \$ 438 | \$ 438 | \$ - | \$ 491 | \$ 491 |
| - | 438 | 438 | - | 491 | 491 |
| 11,403 | 9,796 | (1,607) | 11,916 | 10,309 | (1,607) |
| 3,820 | 3,402 | (418) | 18,135 | 16,681 | (1,454) |
| 14,435 | 1,051 | (13,384) | 18,195 | 3,208 | (14,987) |
| 3,304 | 3,291 | (13) | 48,837 | 48,820 | (17) |
| 3,795 | 3,365 | (430) | 10,116 | 9,461 | (655) |
| 8,020 | 9,375 | 1,355 | 71,174 | 72,233 | 1,059 |
| 44,777 | 30,280 | (14,497) | 178,373 | 160,712 | (17,661) |
| (44,777) | (29,842) | 14,935 | (178,373) | (160,221) | 18,152 |
| 25,242 | 25,242 | - | 151,451 | 151,451 | - |
| 25,242 | 25,242 | - | 151,451 | 151,451 | - |
| (19,535) | (4,600) | 14,935 | (26,922) | (8,770) | 18,152 |
| 39,483 | 39,483 | - | 73,783 | 73,783 | - |
| \$ 19,948 | \$ 34,883 | \$ 14,935 | \$ 46,861 | \$ 65,013 | \$ 18,152 |

State of Illinois

Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Debt Service Funds

For the Year Ended June 30, 2009 (Expressed in Thousands)

| | General Obligation Bond, Retirement, and Interest | | | Build Illinois Bond, Retirement, and Interest | | |
|--|--|--------------------|--------------------------|--|------------------|--------------------------|
| | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| REVENUES: | | | | | | |
| Other | \$ 104,924 | \$ 117,174 | \$ 12,250 | \$ 180 | \$ 138 | \$ (42) |
| Total revenues | <u>104,924</u> | <u>117,174</u> | <u>12,250</u> | <u>180</u> | <u>138</u> | <u>(42)</u> |
| EXPENDITURES: | | | | | | |
| Debt service: | | | | | | |
| Principal | 2,032,151 | 2,011,151 | (21,000) | 304,000 | 274,176 | (29,824) |
| Interest | 1,162,985 | 1,133,052 | (29,933) | | | |
| Total expenditures | <u>3,195,136</u> | <u>3,144,203</u> | <u>(50,933)</u> | <u>304,000</u> | <u>274,176</u> | <u>(29,824)</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(3,090,212)</u> | <u>(3,027,029)</u> | <u>63,183</u> | <u>(303,820)</u> | <u>(274,038)</u> | <u>29,782</u> |
| OTHER SOURCES (USES) OF FINANCIAL RESOURCES: | | | | | | |
| Operating transfers-in | 3,366,315 | 3,366,315 | - | 274,176 | 274,176 | - |
| Operating transfers-out | (335,000) | (335,000) | - | | | |
| Total other sources (uses) of financial resources | <u>3,031,315</u> | <u>3,031,315</u> | <u>-</u> | <u>274,176</u> | <u>274,176</u> | <u>-</u> |
| Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources | <u>(58,897)</u> | <u>4,286</u> | <u>63,183</u> | <u>(29,644)</u> | <u>138</u> | <u>29,782</u> |
| Budgetary fund balances (deficits), July 1, 2008 | <u>634,917</u> | <u>634,917</u> | <u>-</u> | <u>2,880</u> | <u>2,880</u> | <u>-</u> |
| BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2009 | <u>\$ 576,020</u> | <u>\$ 639,203</u> | <u>\$ 63,183</u> | <u>\$ (26,764)</u> | <u>\$ 3,018</u> | <u>\$ 29,782</u> |

| Other | | | Total | | |
|-----------------|-----------|--------------------------|-----------------|-------------|--------------------------|
| Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| \$ 300 | \$ 5 | \$ (295) | \$ 105,404 | \$ 117,317 | \$ 11,913 |
| 300 | 5 | (295) | 105,404 | 117,317 | 11,913 |
| 14,500 | 13,950 | (550) | 2,350,651 | 2,299,277 | (51,374) |
| | | | 1,162,985 | 1,133,052 | (29,933) |
| 14,500 | 13,950 | (550) | 3,513,636 | 3,432,329 | (81,307) |
| (14,200) | (13,945) | 255 | (3,408,232) | (3,315,012) | 93,220 |
| 14,096 | 14,096 | - | 3,654,587 | 3,654,587 | - |
| | | | (335,000) | (335,000) | - |
| 14,096 | 14,096 | - | 3,319,587 | 3,319,587 | - |
| (104) | 151 | 255 | (88,645) | 4,575 | 93,220 |
| 11,546 | 11,546 | - | 649,343 | 649,343 | - |
| \$ 11,442 | \$ 11,697 | \$ 255 | \$ 560,698 | \$ 653,918 | \$ 93,220 |

State of Illinois

Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Federal Trust Funds

For the Year Ended June 30, 2009 (Expressed in Thousands)

| | Code Departments | | | Agencies, Boards & Commissions | | |
|---|---------------------|--------------------|--------------------------|--------------------------------|--------------------|--------------------------|
| | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| REVENUES: | | | | | | |
| Federal government | \$ 1,249,514 | \$ 1,406,164 | \$ 156,650 | \$ 2,183,224 | \$ 2,467,211 | \$ 283,987 |
| Other | 95,887 | 106,706 | 10,819 | 1,260 | 637 | (623) |
| Less: | | | | | | |
| Refunds | 1,650 | 1 | (1,649) | | | |
| Total revenues | 1,343,751 | 1,512,869 | 169,118 | 2,184,484 | 2,467,848 | 283,364 |
| EXPENDITURES: | | | | | | |
| Current: | | | | | | |
| Health and social services | 1,383,494 | 1,059,760 | (323,734) | 2,100 | - | (2,100) |
| Education | | | | 2,767,541 | 1,984,887 | (782,654) |
| General government | 666 | 583 | (83) | 56 | 56 | - |
| Employment and economic development | 664,231 | 369,197 | (295,034) | | | |
| Transportation | 96,041 | 96,016 | (25) | | | |
| Public protection and justice | | | | 364,600 | 109,283 | (255,317) |
| Environment and business regulation | | | | 146,952 | 105,182 | (41,770) |
| Capital outlays | 7,846 | 319 | (7,527) | 1,455 | 444 | (1,011) |
| Total expenditures | 2,152,278 | 1,525,875 | (626,403) | 3,282,704 | 2,199,852 | (1,082,852) |
| Excess (deficiency) of revenues over (under) expenditures | (808,527) | (13,006) | 795,521 | (1,098,220) | 267,996 | 1,366,216 |
| OTHER SOURCES (USES) OF FINANCIAL RESOURCES: | | | | | | |
| Operating transfers-in | 12,017 | 12,017 | - | | | |
| Operating transfers-out | (15,415) | (15,415) | - | (21,881) | (21,881) | - |
| Total other sources (uses) of financial resources | (3,398) | (3,398) | - | (21,881) | (21,881) | - |
| Budgetary funds-nonbudgeted accounts | (8,924) | (8,924) | - | (2,644) | (2,644) | - |
| Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources, and budgetary funds-nonbudgeted accounts | (820,849) | (25,328) | 795,521 | (1,122,745) | 243,471 | 1,366,216 |
| Budgetary fund balances (deficits), July 1, 2008, as previously reported | (50,826) | (50,826) | - | (289,567) | (289,567) | - |
| Reclassifications between budgetary/nonbudgetary funds-net | | | | | | |
| Budgetary fund balances (deficits), July 1, 2008, as reclassified | (50,826) | (50,826) | - | (289,567) | (289,567) | - |
| BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2009 | \$ (871,675) | \$ (76,154) | \$ 795,521 | \$ (1,412,312) | \$ (46,096) | \$ 1,366,216 |

| Higher Education | | | | | | | | |
|--|------------|--------------------------|-----------------|------------|--------------------------|-----------------|--------------|--------------------------|
| Illinois Student Assistance Commission | | | Other | | | Total | | |
| Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| \$ 96,383 | \$ 128,773 | \$ 32,390 | \$ 245,046 | \$ 228,926 | \$ (16,120) | \$ 3,774,167 | \$ 4,231,074 | \$ 456,907 |
| 136,493 | 121,009 | (15,484) | 31,480 | 22,582 | (8,898) | 265,120 | 250,934 | (14,186) |
| | | | 1,194 | 4 | (1,190) | 2,844 | 5 | (2,839) |
| 232,876 | 249,782 | 16,906 | 275,332 | 251,504 | (23,828) | 4,036,443 | 4,482,003 | 445,560 |
| | | | | | | | | |
| | | | 311,764 | 130,400 | (181,364) | 1,697,358 | 1,190,160 | (507,198) |
| 336,939 | 257,366 | (79,573) | 23,782 | 9,514 | (14,268) | 3,128,262 | 2,251,767 | (876,495) |
| | | | 356,851 | 7,751 | (349,100) | 357,573 | 8,390 | (349,183) |
| | | | 896,436 | 44,867 | (851,569) | 1,560,667 | 414,064 | (1,146,603) |
| | | | 19,711 | 19,711 | - | 115,752 | 115,727 | (25) |
| | | | 59,251 | 35,000 | (24,251) | 423,851 | 144,283 | (279,568) |
| | | | 50,452 | 30,812 | (19,640) | 197,404 | 135,994 | (61,410) |
| 535 | 108 | (427) | 1,045 | 148 | (897) | 10,881 | 1,019 | (9,862) |
| 337,474 | 257,474 | (80,000) | 1,719,292 | 278,203 | (1,441,089) | 7,491,748 | 4,261,404 | (3,230,344) |
| | | | | | | | | |
| (104,598) | (7,692) | 96,906 | (1,443,960) | (26,699) | 1,417,261 | (3,455,305) | 220,599 | 3,675,904 |
| | | | | | | | | |
| | | | 28,135 | 28,135 | - | 40,152 | 40,152 | - |
| (2) | (2) | - | (1,927) | (1,927) | - | (39,225) | (39,225) | - |
| (2) | (2) | - | 26,208 | 26,208 | - | 927 | 927 | - |
| | | | (4,584) | (4,584) | - | (16,152) | (16,152) | - |
| | | | | | | | | |
| (104,600) | (7,694) | 96,906 | (1,422,336) | (5,075) | 1,417,261 | (3,470,530) | 205,374 | 3,675,904 |
| | | | | | | | | |
| 38,677 | 38,677 | - | 11,244 | 11,244 | - | (290,472) | (290,472) | - |
| | | | 35 | 35 | - | 35 | 35 | - |
| | | | | | | | | |
| 38,677 | 38,677 | - | 11,279 | 11,279 | - | (290,437) | (290,437) | - |
| \$ (65,923) | \$ 30,983 | \$ 96,906 | \$ (1,411,057) | \$ 6,204 | \$ 1,417,261 | \$ (3,760,967) | \$ (85,063) | \$ 3,675,904 |

State of Illinois

Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Federal Trust Funds - Code Departments

For the Year Ended June 30, 2009 (Expressed in Thousands)

| | Commerce and Economic Opportunity | | | Human Services | | |
|---|-----------------------------------|--------------------|--------------------------|---------------------|--------------------|--------------------------|
| | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| REVENUES: | | | | | | |
| Federal government | \$ 167,697 | \$ 282,754 | \$ 115,057 | \$ 599,566 | \$ 661,515 | \$ 61,949 |
| Other | - | 18 | 18 | 70,252 | 80,874 | 10,622 |
| Less: | | | | | | |
| Refunds | 1,070 | 1 | (1,069) | 205 | - | (205) |
| Total revenues | 166,627 | 282,771 | 116,144 | 669,613 | 742,389 | 72,776 |
| EXPENDITURES: | | | | | | |
| Current: | | | | | | |
| Health and social services | 139,943 | 137,514 | (2,429) | 975,931 | 729,527 | (246,404) |
| General government | 1 | 1 | - | 148 | 148 | - |
| Employment and economic development | 402,504 | 148,231 | (254,273) | | | |
| Transportation | | | | | | |
| Capital outlays | 22 | 4 | (18) | 3,530 | 132 | (3,398) |
| Total expenditures | 542,470 | 285,750 | (256,720) | 979,609 | 729,807 | (249,802) |
| Excess (deficiency) of revenues over (under) expenditures | (375,843) | (2,979) | 372,864 | (309,996) | 12,582 | 322,578 |
| OTHER SOURCES (USES) OF FINANCIAL RESOURCES: | | | | | | |
| Operating transfers-in | | | | 12,017 | 12,017 | - |
| Operating transfers-out | (340) | (340) | - | (14,323) | (14,323) | - |
| Total other sources (uses) of financial resources | (340) | (340) | - | (2,306) | (2,306) | - |
| Budgetary funds-nonbudgeted accounts | | | | (8,825) | (8,825) | - |
| Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources, and budgetary funds-nonbudgeted accounts | (376,183) | (3,319) | 372,864 | (321,127) | 1,451 | 322,578 |
| Budgetary fund balances (deficits), July 1, 2008 | (12,924) | (12,924) | - | (13,982) | (13,982) | - |
| BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2009 | \$ (389,107) | \$ (16,243) | \$ 372,864 | \$ (335,109) | \$ (12,531) | \$ 322,578 |

| Other | | | Total | | |
|-----------------|-------------|--------------------------|-----------------|--------------|--------------------------|
| Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| \$ 482,251 | \$ 461,895 | \$ (20,356) | \$ 1,249,514 | \$ 1,406,164 | \$ 156,650 |
| 25,635 | 25,814 | 179 | 95,887 | 106,706 | 10,819 |
| 375 | - | (375) | 1,650 | 1 | (1,649) |
| 507,511 | 487,709 | (19,802) | 1,343,751 | 1,512,869 | 169,118 |
| 267,620 | 192,719 | (74,901) | 1,383,494 | 1,059,760 | (323,734) |
| 517 | 434 | (83) | 666 | 583 | (83) |
| 261,727 | 220,966 | (40,761) | 664,231 | 369,197 | (295,034) |
| 96,041 | 96,016 | (25) | 96,041 | 96,016 | (25) |
| 4,294 | 183 | (4,111) | 7,846 | 319 | (7,527) |
| 630,199 | 510,318 | (119,881) | 2,152,278 | 1,525,875 | (626,403) |
| (122,688) | (22,609) | 100,079 | (808,527) | (13,006) | 795,521 |
| (752) | (752) | - | 12,017 | 12,017 | - |
| (752) | (752) | - | (15,415) | (15,415) | - |
| (752) | (752) | - | (3,398) | (3,398) | - |
| (99) | (99) | - | (8,924) | (8,924) | - |
| (123,539) | (23,460) | 100,079 | (820,849) | (25,328) | 795,521 |
| (23,920) | (23,920) | - | (50,826) | (50,826) | - |
| \$ (147,459) | \$ (47,380) | \$ 100,079 | \$ (871,675) | \$ (76,154) | \$ 795,521 |

State of Illinois

Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Federal Trust Funds - Department of Commerce and Economic Opportunity

For the Year Ended June 30, 2009 (Expressed in Thousands)

| | Low Income Home Energy Block Grant | | | Community Services Block Grant | | |
|--|------------------------------------|-------------------|--------------------------|--------------------------------|-------------------|--------------------------|
| | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| REVENUES: | | | | | | |
| Federal government | \$ 102,660 | \$ 218,324 | \$ 115,664 | \$ 29,634 | \$ 31,265 | \$ 1,631 |
| Other | | | | - | 17 | 17 |
| Less: | | | | | | |
| Refunds | 600 | - | (600) | 170 | - | (170) |
| Total revenues | 102,060 | 218,324 | 116,264 | 29,464 | 31,282 | 1,818 |
| EXPENDITURES: | | | | | | |
| Current: | | | | | | |
| Health and social services | 139,943 | 137,514 | (2,429) | | | |
| General government | 1 | 1 | - | | | |
| Employment and economic development | 167,699 | 83,183 | (84,516) | 99,141 | 32,751 | (66,390) |
| Capital outlays | 3 | 3 | - | 5 | 1 | (4) |
| Total expenditures | 307,646 | 220,701 | (86,945) | 99,146 | 32,752 | (66,394) |
| Excess (deficiency) of revenues over (under) expenditures | (205,586) | (2,377) | 203,209 | (69,682) | (1,470) | 68,212 |
| OTHER SOURCES (USES) OF FINANCIAL RESOURCES: | | | | | | |
| Operating transfers-out | | | | | | |
| Total other sources (uses) of financial resources | | | | | | |
| Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources | (205,586) | (2,377) | 203,209 | (69,682) | (1,470) | 68,212 |
| Budgetary fund balances (deficits), July 1, 2008 | (7,445) | (7,445) | - | (2,574) | (2,574) | - |
| BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2009 | \$ (213,031) | \$ (9,822) | \$ 203,209 | \$ (72,256) | \$ (4,044) | \$ 68,212 |

| Community Development/ Small Cities Block Grant | | | Total | | |
|--|------------|--------------------------|-----------------|-------------|--------------------------|
| Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| \$ 35,403 | \$ 33,165 | \$ (2,238) | \$ 167,697 | \$ 282,754 | \$ 115,057 |
| - | 1 | 1 | - | 18 | 18 |
| 300 | 1 | (299) | 1,070 | 1 | (1,069) |
| 35,103 | 33,165 | (1,938) | 166,627 | 282,771 | 116,144 |
| | | | | | |
| | | | 139,943 | 137,514 | (2,429) |
| | | | 1 | 1 | - |
| 135,664 | 32,297 | (103,367) | 402,504 | 148,231 | (254,273) |
| 14 | - | (14) | 22 | 4 | (18) |
| 135,678 | 32,297 | (103,381) | 542,470 | 285,750 | (256,720) |
| | | | | | |
| (100,575) | 868 | 101,443 | (375,843) | (2,979) | 372,864 |
| | | | | | |
| (340) | (340) | - | (340) | (340) | - |
| (340) | (340) | - | (340) | (340) | - |
| | | | | | |
| (100,915) | 528 | 101,443 | (376,183) | (3,319) | 372,864 |
| (2,905) | (2,905) | - | (12,924) | (12,924) | - |
| \$ (103,820) | \$ (2,377) | \$ 101,443 | \$ (389,107) | \$ (16,243) | \$ 372,864 |

State of Illinois

Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Federal Trust Funds - Department of Human Services

For the Year Ended June 30, 2009 (Expressed in Thousands)

| | Prevention and Treatment of Alcohol and Substance Abuse Block Grant | | | Vocational Rehabilitation | | |
|---|--|--------------------|--------------------------|---------------------------|-----------------|--------------------------|
| | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| REVENUES: | | | | | | |
| Federal government | \$ 66,650 | \$ 64,029 | \$ (2,621) | \$ 106,323 | \$ 105,578 | \$ (745) |
| Other | | | | 2,020 | 2,963 | 943 |
| Less: | | | | | | |
| Refunds | | | | 5 | - | (5) |
| Total revenues | 66,650 | 64,029 | (2,621) | 108,338 | 108,541 | 203 |
| EXPENDITURES: | | | | | | |
| Current: | | | | | | |
| Health and social services | 78,831 | 67,363 | (11,468) | 160,380 | 109,192 | (51,188) |
| General government | 17 | 17 | - | 125 | 125 | - |
| Capital outlays | 14 | - | (14) | 1,746 | 79 | (1,667) |
| Total expenditures | 78,862 | 67,380 | (11,482) | 162,251 | 109,396 | (52,855) |
| Excess (deficiency) of revenues over (under) expenditures | (12,212) | (3,351) | 8,861 | (53,913) | (855) | 53,058 |
| OTHER SOURCES (USES) OF FINANCIAL RESOURCES: | | | | | | |
| Operating transfers-in | | | | | | |
| Operating transfers-out | | | | | | |
| Total other sources (uses) of financial resources | | | | | | |
| Budgetary funds-nonbudgeted accounts | | | | | | |
| Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources, and budgetary funds-nonbudgeted accounts | (12,212) | (3,351) | 8,861 | (53,913) | (855) | 53,058 |
| Budgetary fund balances (deficits), July 1, 2008 | (10,970) | (10,970) | - | 8,713 | 8,713 | - |
| BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2009 | \$ (23,182) | \$ (14,321) | \$ 8,861 | \$ (45,200) | \$ 7,858 | \$ 53,058 |

| Community Developmental Disabilities Services Medicaid Trust | | | DHS Special Purpose Trust | | | Old Age Survivors Insurance | | |
|---|------------------|--------------------------|---------------------------|-----------------|--------------------------|-----------------------------|----------------|--------------------------|
| Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| \$ 31,201 480 | \$ 34,760 234 | \$ 3,559 (246) | \$ 134,273 12 | \$ 166,512 2 | \$ 32,239 (10) | \$ 60,530 - | \$ 65,234 1 | \$ 4,704 1 |
| 31,681 | 34,994 | 3,313 | 134,285 | 166,514 | 32,229 | 60,530 | 65,235 | 4,705 |
| 22,000 | 13,731 | (8,269) | 282,792 4 | 169,217 4 | (113,575) - | 82,709 2 | 65,287 2 | (17,422) - |
| 22,000 | 13,731 | (8,269) | 282,796 | 169,221 | (113,575) | 1,770 84,481 | 53 65,342 | (1,717) (19,139) |
| 9,681 | 21,263 | 11,582 | (148,511) | (2,707) | 145,804 | (23,951) | (107) | 23,844 |
| (14,323) | (14,323) | - | 12,017 | 12,017 | - | | | |
| (14,323) | (14,323) | - | 12,017 | 12,017 | - | | | |
| | | | (8,825) | (8,825) | - | | | |
| (4,642) | 6,940 | 11,582 | (145,319) | 485 | 145,804 | (23,951) | (107) | 23,844 |
| 1,437 | 1,437 | - | (656) | (656) | - | (2,383) | (2,383) | - |
| \$ (3,205) | \$ 8,377 | \$ 11,582 | \$ (145,975) | \$ (171) | \$ 145,804 | \$ (26,334) | \$ (2,490) | \$ 23,844 |

(continued)

State of Illinois

Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Federal Trust Funds - Department of Human Services

For the Year Ended June 30, 2009 (Expressed in Thousands)

(continued)

| | USDA Women, Infants and Children | | | Total | | |
|---|----------------------------------|--------------------|--------------------------|---------------------|--------------------|--------------------------|
| | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| REVENUES: | | | | | | |
| Federal government | \$ 200,589 | \$ 225,402 | \$ 24,813 | \$ 599,566 | \$ 661,515 | \$ 61,949 |
| Other | 67,740 | 77,674 | 9,934 | 70,252 | 80,874 | 10,622 |
| Less: | | | | | | |
| Refunds | 200 | - | (200) | 205 | - | (205) |
| Total revenues | 268,129 | 303,076 | 34,947 | 669,613 | 742,389 | 72,776 |
| EXPENDITURES: | | | | | | |
| Current: | | | | | | |
| Health and social services | 349,219 | 304,737 | (44,482) | 975,931 | 729,527 | (246,404) |
| General government | | | | 148 | 148 | - |
| Capital outlays | | | | 3,530 | 132 | (3,398) |
| Total expenditures | 349,219 | 304,737 | (44,482) | 979,609 | 729,807 | (249,802) |
| Excess (deficiency) of revenues over (under) expenditures | (81,090) | (1,661) | 79,429 | (309,996) | 12,582 | 322,578 |
| OTHER SOURCES (USES) OF FINANCIAL RESOURCES: | | | | | | |
| Operating transfers-in | | | | 12,017 | 12,017 | - |
| Operating transfers-out | | | | (14,323) | (14,323) | - |
| Total other sources (uses) of financial resources | | | | (2,306) | (2,306) | - |
| Budgetary funds-nonbudgeted accounts | | | | (8,825) | (8,825) | - |
| Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources, and budgetary funds-nonbudgeted accounts | (81,090) | (1,661) | 79,429 | (321,127) | 1,451 | 322,578 |
| Budgetary fund balances (deficits), July 1, 2008 | (10,123) | (10,123) | - | (13,982) | (13,982) | - |
| BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2009 | \$ (91,213) | \$ (11,784) | \$ 79,429 | \$ (335,109) | \$ (12,531) | \$ 322,578 |

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State of Illinois

Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Federal Trust Funds - Other Code Departments

For the Year Ended June 30, 2009 (Expressed in Thousands)

| | Aging | | | Employment Security | | |
|---|------------------------------|--------------------|--------------------------|--|--------------------|--------------------------|
| | Services for Older Americans | | | Federal Title III Social Security and Employment | | |
| | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| REVENUES: | | | | | | |
| Federal government | \$ 59,886 | \$ 61,542 | \$ 1,656 | \$ 163,000 | \$ 188,742 | \$ 25,742 |
| Other | | | | 12,825 | 13,679 | 854 |
| Less: | | | | | | |
| Refunds | | | | 300 | - | (300) |
| Total revenues | 59,886 | 61,542 | 1,656 | 175,525 | 202,421 | 26,896 |
| EXPENDITURES: | | | | | | |
| Current: | | | | | | |
| Health and social services | 80,480 | 59,981 | (20,499) | | | |
| General government | | | | 380 | 326 | (54) |
| Employment and economic development | | | | 261,727 | 220,966 | (40,761) |
| Transportation | | | | | | |
| Capital outlays | 1 | - | (1) | 2,772 | 75 | (2,697) |
| Total expenditures | 80,481 | 59,981 | (20,500) | 264,879 | 221,367 | (43,512) |
| Excess (deficiency) of revenues over (under) expenditures | (20,595) | 1,561 | 22,156 | (89,354) | (18,946) | 70,408 |
| OTHER SOURCES (USES) OF FINANCIAL RESOURCES: | | | | | | |
| Operating transfers-out | | | | (752) | (752) | - |
| Total other sources (uses) of financial resources | | | | (752) | (752) | - |
| Budgetary funds-nonbudgeted accounts | (99) | (99) | - | | | |
| Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources, and budgetary funds-nonbudgeted accounts | (20,694) | 1,462 | 22,156 | (90,106) | (19,698) | 70,408 |
| Budgetary fund balances (deficits), July 1, 2008 | (13,069) | (13,069) | - | 79 | 79 | - |
| BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2009 | \$ (33,763) | \$ (11,607) | \$ 22,156 | \$ (90,027) | \$ (19,619) | \$ 70,408 |

| Public Health | | | Transportation | | | | | |
|------------------------|-------------|-----------------------|-----------------------|-----------|-----------------------|--------------|-------------|-----------------------|
| Public Health Services | | | Federal/Local Airport | | | Total | | |
| Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| \$ 135,365 | \$ 129,114 | \$ (6,251) | \$ 124,000 | \$ 82,497 | \$ (41,503) | \$ 482,251 | \$ 461,895 | \$ (20,356) |
| 810 | 1,439 | 629 | 12,000 | 10,696 | (1,304) | 25,635 | 25,814 | 179 |
| 75 | - | (75) | | | | 375 | - | (375) |
| 136,100 | 130,553 | (5,547) | 136,000 | 93,193 | (42,807) | 507,511 | 487,709 | (19,802) |
| 187,140 | 132,738 | (54,402) | | | | 267,620 | 192,719 | (74,901) |
| 137 | 108 | (29) | | | | 517 | 434 | (83) |
| | | | 96,041 | 96,016 | (25) | 261,727 | 220,966 | (40,761) |
| 1,521 | 108 | (1,413) | | | | 96,041 | 96,016 | (25) |
| 188,798 | 132,954 | (55,844) | 96,041 | 96,016 | (25) | 4,294 | 183 | (4,111) |
| | | | | | | 630,199 | 510,318 | (119,881) |
| (52,698) | (2,401) | 50,297 | 39,959 | (2,823) | (42,782) | (122,688) | (22,609) | 100,079 |
| | | | | | | (752) | (752) | - |
| | | | | | | (752) | (752) | - |
| | | | | | | (99) | (99) | - |
| (52,698) | (2,401) | 50,297 | 39,959 | (2,823) | (42,782) | (123,539) | (23,460) | 100,079 |
| (14,858) | (14,858) | - | 3,928 | 3,928 | - | (23,920) | (23,920) | - |
| \$ (67,556) | \$ (17,259) | \$ 50,297 | \$ 43,887 | \$ 1,105 | \$ (42,782) | \$ (147,459) | \$ (47,380) | \$ 100,079 |

State of Illinois

Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Federal Trust Funds - Agencies, Boards & Commissions

For the Year Ended June 30, 2009 (Expressed in Thousands)

| | State Board of Education | | | Illinois Emergency Management Agency | | |
|---|--------------------------|---------------------|--------------------------|--------------------------------------|--------------------|--------------------------|
| | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| REVENUES: | | | | | | |
| Federal government | \$ 1,953,040 | \$ 2,192,660 | \$ 239,620 | \$ 112,859 | \$ 152,544 | \$ 39,685 |
| Other | - | 37 | 37 | - | - | - |
| Total revenues | 1,953,040 | 2,192,697 | 239,657 | 112,859 | 152,544 | 39,685 |
| EXPENDITURES: | | | | | | |
| Current: | | | | | | |
| Health and social services | | | | 2,100 | - | (2,100) |
| Education | 2,767,541 | 1,984,887 | (782,654) | | | |
| General government | 3 | 3 | - | | | |
| Public protection and justice | | | | 268,000 | 78,426 | (189,574) |
| Environment and business regulation | | | | 84,091 | 61,499 | (22,592) |
| Capital outlays | 612 | 223 | (389) | | | |
| Total expenditures | 2,768,156 | 1,985,113 | (783,043) | 354,191 | 139,925 | (214,266) |
| Excess (deficiency) of revenues over (under) expenditures | (815,116) | 207,584 | 1,022,700 | (241,332) | 12,619 | 253,951 |
| OTHER SOURCES (USES) OF FINANCIAL RESOURCES: | | | | | | |
| Operating transfers-out | (21,881) | (21,881) | - | | | |
| Total other sources (uses) of financial resources | (21,881) | (21,881) | - | | | |
| Budgetary funds-nonbudgeted accounts | (2,533) | (2,533) | - | (111) | (111) | - |
| Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources, and budgetary funds-nonbudgeted accounts | (839,530) | 183,170 | 1,022,700 | (241,443) | 12,508 | 253,951 |
| Budgetary fund balances (deficits), July 1, 2008 | (288,375) | (288,375) | - | (24,970) | (24,970) | - |
| BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2009 | \$ (1,127,905) | \$ (105,205) | \$ 1,022,700 | \$ (266,413) | \$ (12,462) | \$ 253,951 |

| Other | | | Total | | |
|-----------------|------------|--------------------------|-----------------|--------------|--------------------------|
| Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| \$ 117,325 | \$ 122,007 | \$ 4,682 | \$ 2,183,224 | \$ 2,467,211 | \$ 283,987 |
| 1,260 | 600 | (660) | 1,260 | 637 | (623) |
| 118,585 | 122,607 | 4,022 | 2,184,484 | 2,467,848 | 283,364 |

| | | | | | |
|----------|--------|----------|-------------|-----------|-------------|
| | | | 2,100 | - | (2,100) |
| | | | 2,767,541 | 1,984,887 | (782,654) |
| 53 | 53 | - | 56 | 56 | - |
| 96,600 | 30,857 | (65,743) | 364,600 | 109,283 | (255,317) |
| 62,861 | 43,683 | (19,178) | 146,952 | 105,182 | (41,770) |
| 843 | 221 | (622) | 1,455 | 444 | (1,011) |
| 160,357 | 74,814 | (85,543) | 3,282,704 | 2,199,852 | (1,082,852) |
| (41,772) | 47,793 | 89,565 | (1,098,220) | 267,996 | 1,366,216 |

| | | | | | |
|--|--|--|----------|----------|---|
| | | | (21,881) | (21,881) | - |
| | | | (21,881) | (21,881) | - |
| | | | (2,644) | (2,644) | - |

| | | | | | |
|-------------|-----------|-----------|----------------|-------------|--------------|
| (41,772) | 47,793 | 89,565 | (1,122,745) | 243,471 | 1,366,216 |
| 23,778 | 23,778 | - | (289,567) | (289,567) | - |
| \$ (17,994) | \$ 71,571 | \$ 89,565 | \$ (1,412,312) | \$ (46,096) | \$ 1,366,216 |

State of Illinois

Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Federal Trust Funds - State Board of Education

For the Year Ended June 30, 2009 (Expressed in Thousands)

| | S.B.E. Department of Agriculture | | | S.B.E. Federal Department of Education | | |
|---|-------------------------------------|--------------------|--------------------------|---|--------------------|--------------------------|
| | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| REVENUES: | | | | | | |
| Federal government | \$ 499,721 | \$ 537,160 | \$ 37,439 | \$ 1,453,319 | \$ 1,655,500 | \$ 202,181 |
| Other | - | 37 | 37 | | | |
| Total revenues | 499,721 | 537,197 | 37,476 | 1,453,319 | 1,655,500 | 202,181 |
| EXPENDITURES: | | | | | | |
| Current: | | | | | | |
| Education | 537,576 | 531,833 | (5,743) | 2,229,965 | 1,453,054 | (776,911) |
| General government | 2 | 2 | - | 1 | 1 | - |
| Capital outlays | 157 | 129 | (28) | 455 | 94 | (361) |
| Total expenditures | 537,735 | 531,964 | (5,771) | 2,230,421 | 1,453,149 | (777,272) |
| Excess (deficiency) of revenues over (under) expenditures | (38,014) | 5,233 | 43,247 | (777,102) | 202,351 | 979,453 |
| OTHER SOURCES (USES) OF FINANCIAL RESOURCES: | | | | | | |
| Operating transfers-out | | | | (21,881) | (21,881) | - |
| Total other sources (uses) of financial resources | | | | (21,881) | (21,881) | - |
| Budgetary funds-nonbudgeted accounts | (47) | (47) | - | (2,486) | (2,486) | - |
| Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources, and budgetary funds-nonbudgeted accounts | (38,061) | 5,186 | 43,247 | (801,469) | 177,984 | 979,453 |
| Budgetary fund balances (deficits), July 1, 2008 | (17,112) | (17,112) | - | (271,263) | (271,263) | - |
| BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2009 | \$ (55,173) | \$ (11,926) | \$ 43,247 | \$ (1,072,732) | \$ (93,279) | \$ 979,453 |

| Total | | |
|-----------------|--------------|--------------------------|
| Final Budget | Actual | Variance Over (Under) |
| \$ 1,953,040 | \$ 2,192,660 | \$ 239,620 |
| - | 37 | 37 |
| 1,953,040 | 2,192,697 | 239,657 |

| | | |
|-----------|-----------|-----------|
| 2,767,541 | 1,984,887 | (782,654) |
| 3 | 3 | - |
| 612 | 223 | (389) |
| 2,768,156 | 1,985,113 | (783,043) |

| | | |
|-----------|----------|-----------|
| (815,116) | 207,584 | 1,022,700 |
| (21,881) | (21,881) | - |
| (21,881) | (21,881) | - |
| (2,533) | (2,533) | - |

| | | |
|----------------|--------------|--------------|
| (839,530) | 183,170 | 1,022,700 |
| (288,375) | (288,375) | - |
| \$ (1,127,905) | \$ (105,205) | \$ 1,022,700 |

State of Illinois

Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Federal Trust Funds - Illinois Emergency Management Agency

For the Year Ended June 30, 2009 (Expressed in Thousands)

| | Federal Aid Disaster | | | Federal Civil Preparedness Administrative | | |
|---|----------------------|-------------------|-----------------------|---|-------------------|-----------------------|
| | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| REVENUES: | | | | | | |
| Federal government | \$ 24,572 | \$ 59,925 | \$ 35,353 | \$ 88,287 | \$ 92,619 | \$ 4,332 |
| Total revenues | <u>24,572</u> | <u>59,925</u> | <u>35,353</u> | <u>88,287</u> | <u>92,619</u> | <u>4,332</u> |
| EXPENDITURES: | | | | | | |
| Current: | | | | | | |
| Health and social services | | | | 2,100 | - | (2,100) |
| Public protection and justice | | | | 268,000 | 78,426 | (189,574) |
| Environment and business regulation | 82,000 | 61,124 | (20,876) | 2,091 | 375 | (1,716) |
| Total expenditures | <u>82,000</u> | <u>61,124</u> | <u>(20,876)</u> | <u>272,191</u> | <u>78,801</u> | <u>(193,390)</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(57,428)</u> | <u>(1,199)</u> | <u>56,229</u> | <u>(183,904)</u> | <u>13,818</u> | <u>197,722</u> |
| Budgetary funds-nonbudgeted accounts | | | | <u>(111)</u> | <u>(111)</u> | <u>-</u> |
| Excess (deficiency) of revenues over (under) expenditures and budgetary funds-nonbudgeted accounts | <u>(57,428)</u> | <u>(1,199)</u> | <u>56,229</u> | <u>(184,015)</u> | <u>13,707</u> | <u>197,722</u> |
| Budgetary fund balances (deficits), July 1, 2008 | <u>(1,404)</u> | <u>(1,404)</u> | <u>-</u> | <u>(23,566)</u> | <u>(23,566)</u> | <u>-</u> |
| BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2009 | <u>\$ (58,832)</u> | <u>\$ (2,603)</u> | <u>\$ 56,229</u> | <u>\$ (207,581)</u> | <u>\$ (9,859)</u> | <u>\$ 197,722</u> |

| | Total | |
|------------|------------|--------------|
| Final | Actual | Variance |
| Budget | | Over (Under) |
| \$ 112,859 | \$ 152,544 | \$ 39,685 |
| 112,859 | 152,544 | 39,685 |

| | | |
|---------|---------|-----------|
| 2,100 | - | (2,100) |
| 268,000 | 78,426 | (189,574) |
| 84,091 | 61,499 | (22,592) |
| 354,191 | 139,925 | (214,266) |

| | | |
|-----------|--------|---------|
| (241,332) | 12,619 | 253,951 |
| (111) | (111) | - |

| | | |
|--------------|-------------|------------|
| (241,443) | 12,508 | 253,951 |
| (24,970) | (24,970) | - |
| \$ (266,413) | \$ (12,462) | \$ 253,951 |

State of Illinois

Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Federal Trust Funds - Other Agencies, Boards & Commissions

For the Year Ended June 30, 2009 (Expressed in Thousands)

| | Environmental Protection Agency | | | Criminal Justice Authority | | |
|--|---------------------------------|-----------------|--------------------------|----------------------------|------------------|--------------------------|
| | U.S. Environmental Protection | | | Criminal Justice Trust | | |
| | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| REVENUES: | | | | | | |
| Federal government | \$ 56,000 | \$ 45,801 | \$ (10,199) | \$ 61,325 | \$ 76,206 | \$ 14,881 |
| Other | - | 2 | 2 | 1,260 | 598 | (662) |
| Total revenues | 56,000 | 45,803 | (10,197) | 62,585 | 76,804 | 14,219 |
| EXPENDITURES: | | | | | | |
| Current: | | | | | | |
| General government | 22 | 22 | - | 31 | 31 | - |
| Public protection and justice | | | | 96,600 | 30,857 | (65,743) |
| Environment and business regulation | 62,861 | 43,683 | (19,178) | | | |
| Capital outlays | 843 | 221 | (622) | | | |
| Total expenditures | 63,726 | 43,926 | (19,800) | 96,631 | 30,888 | (65,743) |
| Excess (deficiency) of revenues over (under) expenditures | (7,726) | 1,877 | 9,603 | (34,046) | 45,916 | 79,962 |
| Budgetary fund balances (deficits), July 1, 2008 | 2,535 | 2,535 | - | 21,243 | 21,243 | - |
| BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2009 | \$ (5,191) | \$ 4,412 | \$ 9,603 | \$ (12,803) | \$ 67,159 | \$ 79,962 |

| | | Total | |
|-----------------|----|---------|--------------------------|
| Final Budget | | Actual | Variance Over (Under) |
| \$ 117,325 | \$ | 122,007 | \$ 4,682 |
| 1,260 | | 600 | (660) |
| 118,585 | | 122,607 | 4,022 |

State of Illinois

Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Federal Trust Funds - Student Assistance Commission

For the Year Ended June 30, 2009 (Expressed in Thousands)

| | Federal Student Loan | | | Student Loan Operation | | |
|--|----------------------|------------------|--------------------------|------------------------|-----------------|--------------------------|
| | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| REVENUES: | | | | | | |
| Federal government | \$ 96,383 | \$ 128,773 | \$ 32,390 | | | |
| Other | 96,390 | 89,759 | (6,631) | \$ 40,103 | \$ 31,250 | \$ (8,853) |
| Total revenues | 192,773 | 218,532 | 25,759 | 40,103 | 31,250 | (8,853) |
| EXPENDITURES: | | | | | | |
| Current: | | | | | | |
| Education | 260,000 | 218,418 | (41,582) | 76,939 | 38,948 | (37,991) |
| Capital outlays | | | | 535 | 108 | (427) |
| Total expenditures | 260,000 | 218,418 | (41,582) | 77,474 | 39,056 | (38,418) |
| Excess (deficiency) of revenues over (under) expenditures | (67,227) | 114 | 67,341 | (37,371) | (7,806) | 29,565 |
| OTHER SOURCES (USES) OF FINANCIAL RESOURCES: | | | | | | |
| Operating transfers-out | | | | (2) | (2) | - |
| Total other sources (uses) of financial resources | | | | (2) | (2) | - |
| Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources | (67,227) | 114 | 67,341 | (37,373) | (7,808) | 29,565 |
| Budgetary fund balances (deficits), July 1, 2008 | 26,663 | 26,663 | - | 12,014 | 12,014 | - |
| BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2009 | \$ (40,564) | \$ 26,777 | \$ 67,341 | \$ (25,359) | \$ 4,206 | \$ 29,565 |

| | Total | |
|-----------|------------|--------------|
| Final | Actual | Variance |
| Budget | | Over (Under) |
| \$ 96,383 | \$ 128,773 | \$ 32,390 |
| 136,493 | 121,009 | (15,484) |
| 232,876 | 249,782 | 16,906 |

| | | |
|---------|---------|----------|
| 336,939 | 257,366 | (79,573) |
| 535 | 108 | (427) |
| 337,474 | 257,474 | (80,000) |

| | | |
|-----------|---------|--------|
| (104,598) | (7,692) | 96,906 |
| (2) | (2) | - |
| (2) | (2) | - |

| | | |
|-------------|-----------|-----------|
| (104,600) | (7,694) | 96,906 |
| 38,677 | 38,677 | - |
| \$ (65,923) | \$ 30,983 | \$ 96,906 |

State of Illinois

Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Revolving Funds

For the Year Ended June 30, 2009 (Expressed in Thousands)

| | Central Management Services | | | Corrections | | |
|--|-----------------------------|--------------------|--------------------------|------------------------------------|-----------------|--------------------------|
| | Final Budget | Actual | Variance Over (Under) | Working Capital Final Budget | Actual | Variance Over (Under) |
| REVENUES: | | | | | | |
| Federal government | \$ 376 | \$ 3,002 | \$ 2,626 | | | |
| Other | 501,311 | 455,175 | (46,136) | \$ 41,147 | \$ 43,071 | \$ 1,924 |
| Less: | | | | | | |
| Refunds | 9,603 | 3 | (9,600) | 7 | 4 | (3) |
| Total revenues | 492,084 | 458,174 | (33,910) | 41,140 | 43,067 | 1,927 |
| EXPENDITURES: | | | | | | |
| Current: | | | | | | |
| General government | 724,547 | 584,722 | (139,825) | 15 | 15 | - |
| Transportation | | | | | | |
| Public protection and justice | | | | 42,039 | 39,312 | (2,727) |
| Capital outlays | 1,487 | 656 | (831) | 917 | 500 | (417) |
| Total expenditures | 726,034 | 585,378 | (140,656) | 42,971 | 39,827 | (3,144) |
| Excess (deficiency) of revenues over (under) expenditures | (233,950) | (127,204) | 106,746 | (1,831) | 3,240 | 5,071 |
| OTHER SOURCES (USES) OF FINANCIAL RESOURCES: | | | | | | |
| Operating transfers-in | 107,908 | 107,908 | - | 7 | 7 | - |
| Operating transfers-out | (10,417) | (10,417) | - | (1,100) | (1,100) | - |
| Total other sources (uses) of financial resources | 97,491 | 97,491 | - | (1,093) | (1,093) | - |
| Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources | (136,459) | (29,713) | 106,746 | (2,924) | 2,147 | 5,071 |
| Budgetary fund balances (deficits), July 1, 2008 | (11,988) | (11,988) | - | (1,116) | (1,116) | - |
| BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2009 | \$ (148,447) | \$ (41,701) | \$ 106,746 | \$ (4,040) | \$ 1,031 | \$ 5,071 |

| Other | | | Total | | |
|-----------------|----------|--------------------------|-----------------|-------------|--------------------------|
| Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| \$ 11,821 | \$ 89 | \$ (11,732) | \$ 12,197 | \$ 3,091 | \$ (9,106) |
| 3,714 | 3,348 | (366) | 546,172 | 501,594 | (44,578) |
| | | | 9,610 | 7 | (9,603) |
| 15,535 | 3,437 | (12,098) | 548,759 | 504,678 | (44,081) |
| 21,967 | 15,775 | (6,192) | 746,529 | 600,512 | (146,017) |
| 1,000 | 721 | (279) | 1,000 | 721 | (279) |
| | | | 42,039 | 39,312 | (2,727) |
| 81 | 13 | (68) | 2,485 | 1,169 | (1,316) |
| 23,048 | 16,509 | (6,539) | 792,053 | 641,714 | (150,339) |
| (7,513) | (13,072) | (5,559) | (243,294) | (137,036) | 106,258 |
| 11,937 | 11,937 | - | 119,852 | 119,852 | - |
| (2,501) | (2,501) | - | (14,018) | (14,018) | - |
| 9,436 | 9,436 | - | 105,834 | 105,834 | - |
| 1,923 | (3,636) | (5,559) | (137,460) | (31,202) | 106,258 |
| 8,500 | 8,500 | - | (4,604) | (4,604) | - |
| \$ 10,423 | \$ 4,864 | \$ (5,559) | \$ (142,064) | \$ (35,806) | \$ 106,258 |

State of Illinois

Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Revolving Funds - Department of Central Management Services

For the Year Ended June 30, 2009 (Expressed in Thousands)

| | State Garage | | | Statistical Services | | |
|--|--------------------|-------------------|--------------------------|----------------------|--------------------|--------------------------|
| | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| REVENUES: | | | | | | |
| Federal government | \$ 6 | \$ - | \$ (6) | \$ - | \$ 1 | \$ 1 |
| Other | 36,503 | 42,929 | 6,426 | 130,003 | 112,076 | (17,927) |
| Less: | | | | | | |
| Refunds | 10 | 1 | (9) | 6,300 | - | (6,300) |
| Total revenues | 36,499 | 42,928 | 6,429 | 123,703 | 112,077 | (11,626) |
| EXPENDITURES: | | | | | | |
| Current: | | | | | | |
| General government | 48,605 | 38,585 | (10,020) | 173,185 | 120,665 | (52,520) |
| Capital outlays | 885 | 364 | (521) | 190 | 20 | (170) |
| Total expenditures | 49,490 | 38,949 | (10,541) | 173,375 | 120,685 | (52,690) |
| Excess (deficiency) of revenues over (under) expenditures | (12,991) | 3,979 | 16,970 | (49,672) | (8,608) | 41,064 |
| OTHER SOURCES (USES) OF FINANCIAL RESOURCES: | | | | | | |
| Operating transfers-in | 10 | 10 | - | 36 | 36 | - |
| Operating transfers-out | (1,050) | (1,050) | - | (2,174) | (2,174) | - |
| Total other sources (uses) of financial resources | (1,040) | (1,040) | - | (2,138) | (2,138) | - |
| Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources | (14,031) | 2,939 | 16,970 | (51,810) | (10,746) | 41,064 |
| Budgetary fund balances (deficits), July 1, 2008 | (5,320) | (5,320) | - | (2,301) | (2,301) | - |
| BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2009 | \$ (19,351) | \$ (2,381) | \$ 16,970 | \$ (54,111) | \$ (13,047) | \$ 41,064 |

| Communications Revolving | | | Facilities Management | | | Workers' Compensation | | |
|--------------------------|----------|--------------------------|-----------------------|-------------|--------------------------|-----------------------|-----------|--------------------------|
| Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| \$ 370 | \$ 2,979 | \$ 2,609 | | | | \$ - | \$ 22 | \$ 22 |
| 123,699 | 118,267 | (5,432) | \$ 209,302 | \$ 180,180 | \$ (29,122) | 1,804 | 1,723 | (81) |
| 3,293 | 2 | (3,291) | | | | | | |
| 120,776 | 121,244 | 468 | 209,302 | 180,180 | (29,122) | 1,804 | 1,745 | (59) |
| 150,466 | 107,859 | (42,607) | 224,367 | 206,045 | (18,322) | 127,924 | 111,568 | (16,356) |
| 303 | 181 | (122) | 109 | 91 | (18) | | | |
| 150,769 | 108,040 | (42,729) | 224,476 | 206,136 | (18,340) | 127,924 | 111,568 | (16,356) |
| (29,993) | 13,204 | 43,197 | (15,174) | (25,956) | (10,782) | (126,120) | (109,823) | 16,297 |
| 29 | 29 | - | 51 | 51 | - | 107,782 | 107,782 | - |
| (2,849) | (2,849) | - | (3,344) | (3,344) | - | (1,000) | (1,000) | - |
| (2,820) | (2,820) | - | (3,293) | (3,293) | - | 106,782 | 106,782 | - |
| (32,813) | 10,384 | 43,197 | (18,467) | (29,249) | (10,782) | (19,338) | (3,041) | 16,297 |
| (9,150) | (9,150) | - | (2,638) | (2,638) | - | 7,421 | 7,421 | - |
| \$ (41,963) | \$ 1,234 | \$ 43,197 | \$ (21,105) | \$ (31,887) | \$ (10,782) | \$ (11,917) | \$ 4,380 | \$ 16,297 |

(continued)

State of Illinois

Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Revolving Funds - Department of Central Management Services

For the Year Ended June 30, 2009 (Expressed in Thousands)

(continued)

| | Total | | |
|--|---------------------|--------------------|--------------------------|
| | Final Budget | Actual | Variance Over (Under) |
| REVENUES: | | | |
| Federal government | \$ 376 | \$ 3,002 | \$ 2,626 |
| Other | 501,311 | 455,175 | (46,136) |
| Less: | | | |
| Refunds | 9,603 | 3 | (9,600) |
| Total revenues | <u>492,084</u> | <u>458,174</u> | <u>(33,910)</u> |
| EXPENDITURES: | | | |
| Current: | | | |
| General government | 724,547 | 584,722 | (139,825) |
| Capital outlays | 1,487 | 656 | (831) |
| Total expenditures | <u>726,034</u> | <u>585,378</u> | <u>(140,656)</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(233,950)</u> | <u>(127,204)</u> | <u>106,746</u> |
| OTHER SOURCES (USES) OF FINANCIAL RESOURCES: | | | |
| Operating transfers-in | 107,908 | 107,908 | - |
| Operating transfers-out | (10,417) | (10,417) | - |
| Total other sources (uses) of financial resources | <u>97,491</u> | <u>97,491</u> | <u>-</u> |
| Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources | <u>(136,459)</u> | <u>(29,713)</u> | <u>106,746</u> |
| Budgetary fund balances (deficits), July 1, 2008 | (11,988) | (11,988) | - |
| BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2009 | <u>\$ (148,447)</u> | <u>\$ (41,701)</u> | <u>\$ 106,746</u> |

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State of Illinois

**Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP)
State Trust Funds**

For the Year Ended June 30, 2009 (Expressed in Thousands)

| | Code Departments | | | Other Agencies, Boards and Commissions | | |
|---|---------------------|--------------------|--------------------------|--|--------------------|--------------------------|
| | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| REVENUES: | | | | | | |
| Sales taxes | \$ 714,811 | \$ 714,811 | \$ - | | | |
| Motor fuel taxes | 31,378 | 31,378 | - | | | |
| Public utility taxes | 301,145 | 301,145 | - | | | |
| Federal government | 55,787 | 86,895 | 31,108 | \$ 24,989 | \$ 27,812 | \$ 2,823 |
| Other | 583,092 | 824,258 | 241,166 | 1,326,669 | 1,327,216 | 547 |
| Less: | | | | | | |
| Refunds | 312 | 273 | (39) | | | |
| Total revenues | 1,685,901 | 1,958,214 | 272,313 | 1,351,658 | 1,355,028 | 3,370 |
| EXPENDITURES: | | | | | | |
| Current: | | | | | | |
| Health and social services | 199,793 | 169,556 | (30,237) | | | |
| Education | | | | | | |
| General government | 93,536 | 83,739 | (9,797) | 233,750 | 107,608 | (126,142) |
| Employment and economic development | | | | | | |
| Public protection and justice | | | | | | |
| Environment and business regulation | | | | | | |
| Capital outlays | 2,000 | 2 | (1,998) | | | |
| Total expenditures | 295,329 | 253,297 | (42,032) | 233,750 | 107,608 | (126,142) |
| Excess (deficiency) of revenues over (under) expenditures | 1,390,572 | 1,704,917 | 314,345 | 1,117,908 | 1,247,420 | 129,512 |
| OTHER SOURCES (USES) OF FINANCIAL RESOURCES: | | | | | | |
| Operating transfers-in | | | | 175,191 | 175,191 | - |
| Operating transfers-out | (224,988) | (224,988) | - | (175,113) | (175,113) | - |
| Total other sources (uses) of financial resources | (224,988) | (224,988) | - | 78 | 78 | - |
| Budgetary funds-nonbudgeted accounts | (1,503,241) | (1,503,241) | - | (1,321,083) | (1,321,083) | - |
| Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources, and budgetary funds-nonbudgeted accounts | (337,657) | (23,312) | 314,345 | (203,097) | (73,585) | 129,512 |
| Budgetary fund balances (deficits), July 1, 2008, as previously reported | 139,628 | 139,628 | - | 296,151 | 296,151 | - |
| Reclassifications between budgetary/nonbudgetary funds-net | | | | | | |
| Budgetary fund balances (deficits), July 1, 2008, as reclassified | 139,628 | 139,628 | - | 296,151 | 296,151 | - |
| BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2009 | \$ (198,029) | \$ 116,316 | \$ 314,345 | \$ 93,054 | \$ 222,566 | \$ 129,512 |

| Other | | | Total | | |
|-----------------|-----------|--------------------------|-----------------|-------------|--------------------------|
| Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| | | | \$ 714,811 | \$ 714,811 | \$ - |
| | | | 31,378 | 31,378 | - |
| | | | 301,145 | 301,145 | - |
| \$ 11,912 | \$ 13,787 | \$ 1,875 | 92,688 | 128,494 | 35,806 |
| 20,748 | 32,456 | 11,708 | 1,930,509 | 2,183,930 | 253,421 |
| | | | 312 | 273 | (39) |
| 32,660 | 46,243 | 13,583 | 3,070,219 | 3,359,485 | 289,266 |
| | | | | | |
| 21,591 | 14,410 | (7,181) | 221,384 | 183,966 | (37,418) |
| 17,259 | 4,619 | (12,640) | 17,259 | 4,619 | (12,640) |
| 3,656 | 2,029 | (1,627) | 330,942 | 193,376 | (137,566) |
| 25 | 20 | (5) | 25 | 20 | (5) |
| 2,950 | 1,326 | (1,624) | 2,950 | 1,326 | (1,624) |
| 12,930 | 5,787 | (7,143) | 12,930 | 5,787 | (7,143) |
| | | | 2,000 | 2 | (1,998) |
| 58,411 | 28,191 | (30,220) | 587,490 | 389,096 | (198,394) |
| | | | | | |
| (25,751) | 18,052 | 43,803 | 2,482,729 | 2,970,389 | 487,660 |
| | | | | | |
| 5 | 5 | - | 175,196 | 175,196 | - |
| (12,267) | (12,267) | - | (412,368) | (412,368) | - |
| (12,262) | (12,262) | - | (237,172) | (237,172) | - |
| | | | | | |
| (10,866) | (10,866) | - | (2,835,190) | (2,835,190) | - |
| | | | | | |
| (48,879) | (5,076) | 43,803 | (589,633) | (101,973) | 487,660 |
| | | | | | |
| 138,337 | 138,337 | - | 574,116 | 574,116 | - |
| (84,393) | (84,393) | - | (84,393) | (84,393) | - |
| | | | | | |
| 53,944 | 53,944 | - | 489,723 | 489,723 | - |
| \$ 5,065 | \$ 48,868 | \$ 43,803 | \$ (99,910) | \$ 387,750 | \$ 487,660 |

State of Illinois

**Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP)
State Trust Funds - Code Departments**

For the Year Ended June 30, 2009 (Expressed in Thousands)

| | Central Management Services | | | Human Services | | |
|---|-----------------------------|------------------|--------------------------|--|--------------------|--------------------------|
| | Final Budget | Actual | Variance Over (Under) | Early Intervention Services Revolving Final Budget | Actual | Variance Over (Under) |
| REVENUES: | | | | | | |
| Sales taxes | | | | | | |
| Motor fuel taxes | | | | | | |
| Public utility taxes | | | | | | |
| Federal government | \$ 15 | \$ 13 | \$ (2) | \$ 55,772 | \$ 62,861 | \$ 7,089 |
| Other | 246,564 | 251,321 | 4,757 | 83,993 | 67,898 | (16,095) |
| Less: | | | | | | |
| Refunds | | | | 300 | 273 | (27) |
| Total revenues | 246,579 | 251,334 | 4,755 | 139,465 | 130,486 | (8,979) |
| EXPENDITURES: | | | | | | |
| Current: | | | | | | |
| Health and social services | | | | 160,112 | 145,419 | (14,693) |
| General government | 91,759 | 82,054 | (9,705) | 20 | 20 | - |
| Capital outlays | | | | | | |
| Total expenditures | 91,759 | 82,054 | (9,705) | 160,132 | 145,439 | (14,693) |
| Excess (deficiency) of revenues over (under) expenditures | 154,820 | 169,280 | 14,460 | (20,667) | (14,953) | 5,714 |
| OTHER SOURCES (USES) OF FINANCIAL RESOURCES: | | | | | | |
| Operating transfers-out | (94) | (94) | - | (1,055) | (1,055) | - |
| Total other sources (uses) of financial resources | (94) | (94) | - | (1,055) | (1,055) | - |
| Budgetary funds-nonbudgeted accounts | (169,706) | (169,706) | - | | | |
| Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources, and budgetary funds-nonbudgeted accounts | (14,980) | (520) | 14,460 | (21,722) | (16,008) | 5,714 |
| Budgetary fund balances (deficits), July 1, 2008 | 6,218 | 6,218 | - | (3,085) | (3,085) | - |
| BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2009 | \$ (8,762) | \$ 5,698 | \$ 14,460 | \$ (24,807) | \$ (19,093) | \$ 5,714 |

| Healthcare and Family Services | | | Revenue | | | Total | | |
|--------------------------------|------------|--------------------------|-----------------|-------------|--------------------------|-----------------|-------------|--------------------------|
| Public Aid Recoveries Trust | | | | | | | | |
| Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| | | | \$ 714,811 | \$ 714,811 | \$ - | \$ 714,811 | \$ 714,811 | \$ - |
| | | | 31,378 | 31,378 | - | 31,378 | 31,378 | - |
| | | | 301,145 | 301,145 | - | 301,145 | 301,145 | - |
| \$ - | \$ 24,021 | \$ 24,021 | | | | 55,787 | 86,895 | 31,108 |
| 248,221 | 502,971 | 254,750 | 4,314 | 2,068 | (2,246) | 583,092 | 824,258 | 241,166 |
| | | | 12 | - | (12) | 312 | 273 | (39) |
| 248,221 | 526,992 | 278,771 | 1,051,636 | 1,049,402 | (2,234) | 1,685,901 | 1,958,214 | 272,313 |
| | | | | | | | | |
| 39,681 | 24,137 | (15,544) | | | | 199,793 | 169,556 | (30,237) |
| | | | 1,757 | 1,665 | (92) | 93,536 | 83,739 | (9,797) |
| 2,000 | 2 | (1,998) | | | | 2,000 | 2 | (1,998) |
| 41,681 | 24,139 | (17,542) | 1,757 | 1,665 | (92) | 295,329 | 253,297 | (42,032) |
| | | | | | | | | |
| 206,540 | 502,853 | 296,313 | 1,049,879 | 1,047,737 | (2,142) | 1,390,572 | 1,704,917 | 314,345 |
| | | | | | | | | |
| (223,839) | (223,839) | - | | | | (224,988) | (224,988) | - |
| (223,839) | (223,839) | - | | | | (224,988) | (224,988) | - |
| | | | | | | | | |
| (274,053) | (274,053) | - | (1,059,482) | (1,059,482) | - | (1,503,241) | (1,503,241) | - |
| | | | | | | | | |
| (291,352) | 4,961 | 296,313 | (9,603) | (11,745) | (2,142) | (337,657) | (23,312) | 314,345 |
| | | | | | | | | |
| (6,168) | (6,168) | - | 142,663 | 142,663 | - | 139,628 | 139,628 | - |
| \$ (297,520) | \$ (1,207) | \$ 296,313 | \$ 133,060 | \$ 130,918 | \$ (2,142) | \$ (198,029) | \$ 116,316 | \$ 314,345 |

State of Illinois

**Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP)
State Trust Funds - Department of Central Management Services**

For the Year Ended June 30, 2009 (Expressed in Thousands)

| | Group Insurance Premium | | | State Employees Deferred Compensation Plan | | |
|--|-------------------------|-----------------|--------------------------|---|------------------|--------------------------|
| | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| REVENUES: | | | | | | |
| Federal government | \$ 15 | \$ 13 | \$ (2) | | | |
| Other | 75,031 | 79,788 | 4,757 | \$ 171,533 | \$ 171,533 | \$ - |
| Total revenues | 75,046 | 79,801 | 4,755 | 171,533 | 171,533 | - |
| EXPENDITURES: | | | | | | |
| Current: | | | | | | |
| General government | 90,740 | 81,118 | (9,622) | 1,019 | 936 | (83) |
| Total expenditures | 90,740 | 81,118 | (9,622) | 1,019 | 936 | (83) |
| Excess (deficiency) of revenues over (under) expenditures | (15,694) | (1,317) | 14,377 | 170,514 | 170,597 | 83 |
| OTHER SOURCES (USES) OF FINANCIAL RESOURCES: | | | | | | |
| Operating transfers-out | (57) | (57) | - | (37) | (37) | - |
| Total other sources (uses) of financial resources | (57) | (57) | - | (37) | (37) | - |
| Budgetary funds-nonbudgeted accounts | | | | (169,706) | (169,706) | - |
| Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources, and budgetary funds- nonbudgeted accounts | (15,751) | (1,374) | 14,377 | 771 | 854 | 83 |
| Budgetary fund balances (deficits), July 1, 2008 | 3,191 | 3,191 | - | 3,027 | 3,027 | - |
| BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2009 | \$ (12,560) | \$ 1,817 | \$ 14,377 | \$ 3,798 | \$ 3,881 | \$ 83 |

State of Illinois

**Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP)
State Trust Funds - Department of Revenue**

For the Year Ended June 30, 2009 (Expressed in Thousands)

| | Home Rule Municipal ROT | | | County Option Motor Fuel Tax | | |
|---|-------------------------|------------------|--------------------------|------------------------------|-----------------|--------------------------|
| | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| REVENUES: | | | | | | |
| Sales taxes | \$ 714,811 | \$ 714,811 | \$ - | | | |
| Motor fuel taxes | | | | \$ 31,378 | \$ 31,378 | \$ - |
| Public utility taxes | | | | | | |
| Other | 1,943 | 1,943 | - | 125 | 125 | - |
| Less: | | | | | | |
| Refunds | | | | | | |
| Total revenues | 716,754 | 716,754 | - | 31,503 | 31,503 | - |
| EXPENDITURES: | | | | | | |
| Current: | | | | | | |
| General government | 956 | 940 | (16) | 801 | 725 | (76) |
| Total expenditures | 956 | 940 | (16) | 801 | 725 | (76) |
| Excess (deficiency) of revenues over (under) expenditures | 715,798 | 715,814 | 16 | 30,702 | 30,778 | 76 |
| Budgetary funds-nonbudgeted accounts | (731,424) | (731,424) | - | (31,378) | (31,378) | - |
| Excess (deficiency) of revenues over (under) expenditures and budgetary funds-nonbudgeted accounts | (15,626) | (15,610) | 16 | (676) | (600) | 76 |
| Budgetary fund balances (deficits), July 1, 2008 | 97,681 | 97,681 | - | 6,237 | 6,237 | - |
| BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2009 | \$ 82,055 | \$ 82,071 | \$ 16 | \$ 5,561 | \$ 5,637 | \$ 76 |

| Municipal Telecommunications | | | Total | | |
|------------------------------|------------|--------------------------|-----------------|-------------|--------------------------|
| Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| | | | \$ 714,811 | \$ 714,811 | \$ - |
| | | | 31,378 | 31,378 | - |
| \$ 301,145 | \$ 301,145 | \$ - | 301,145 | 301,145 | - |
| 2,246 | - | (2,246) | 4,314 | 2,068 | (2,246) |
| 12 | - | (12) | 12 | - | (12) |
| 303,379 | 301,145 | (2,234) | 1,051,636 | 1,049,402 | (2,234) |
| | | | | | |
| | | | 1,757 | 1,665 | (92) |
| | | | 1,757 | 1,665 | (92) |
| | | | | | |
| 303,379 | 301,145 | (2,234) | 1,049,879 | 1,047,737 | (2,142) |
| | | | | | |
| (296,680) | (296,680) | - | (1,059,482) | (1,059,482) | - |
| | | | | | |
| 6,699 | 4,465 | (2,234) | (9,603) | (11,745) | (2,142) |
| | | | | | |
| 38,745 | 38,745 | - | 142,663 | 142,663 | - |
| \$ 45,444 | \$ 43,210 | \$ (2,234) | \$ 133,060 | \$ 130,918 | \$ (2,142) |

State of Illinois

**Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP)
State Trust Funds - Other Agencies, Boards and Commissions**

For the Year Ended June 30, 2009 (Expressed in Thousands)

| | Illinois Housing Development Authority Federal Home Investment Trust | | | State Employees Retirement System | | |
|---|---|---------------|--------------------------|-----------------------------------|--------------------|--------------------------|
| | Final Budget | Actual | Variance Over (Under) | Final Budget | Actual | Variance Over (Under) |
| REVENUES: | | | | | | |
| Federal government | \$ 24,989 | \$ 27,812 | \$ 2,823 | | | |
| Other | 2,715 | 3,262 | 547 | \$ 1,323,954 | \$ 1,323,954 | \$ - |
| Total revenues | 27,704 | 31,074 | 3,370 | 1,323,954 | 1,323,954 | - |
| EXPENDITURES: | | | | | | |
| Current: | | | | | | |
| General government | 33,750 | 31,121 | (2,629) | 200,000 | 76,487 | (123,513) |
| Total expenditures | 33,750 | 31,121 | (2,629) | 200,000 | 76,487 | (123,513) |
| Excess (deficiency) of revenues over (under) expenditures | (6,046) | (47) | 5,999 | 1,123,954 | 1,247,467 | 123,513 |
| OTHER SOURCES (USES) OF FINANCIAL RESOURCES: | | | | | | |
| Operating transfers-in | | | | 175,191 | 175,191 | - |
| Operating transfers-out | | | | (175,113) | (175,113) | - |
| Total other sources (uses) of financial resources | - | - | - | 78 | 78 | - |
| Budgetary funds-nonbudgeted accounts | | | | (1,321,083) | (1,321,083) | - |
| Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources, and budgetary funds-nonbudgeted accounts | (6,046) | (47) | 5,999 | (197,051) | (73,538) | 123,513 |
| Budgetary fund balances (deficits), July 1, 2008 | 302 | 302 | - | 295,849 | 295,849 | - |
| BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2009 | \$ (5,744) | \$ 255 | \$ 5,999 | \$ 98,798 | \$ 222,311 | \$ 123,513 |

| | Total | |
|--------------|-------------|-----------------------|
| Final Budget | Actual | Variance Over (Under) |
| \$ 24,989 | \$ 27,812 | \$ 2,823 |
| 1,326,669 | 1,327,216 | 547 |
| 1,351,658 | 1,355,028 | 3,370 |
| 233,750 | 107,608 | (126,142) |
| 233,750 | 107,608 | (126,142) |
| 1,117,908 | 1,247,420 | 129,512 |
| 175,191 | 175,191 | - |
| (175,113) | (175,113) | - |
| 78 | 78 | - |
| (1,321,083) | (1,321,083) | - |
| (203,097) | (73,585) | 129,512 |
| 296,151 | 296,151 | - |
| \$ 93,054 | \$ 222,566 | \$ 129,512 |

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Statistical Section

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STATISTICAL SECTION

This part of the Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the State's overall financial health.

Contents

Page

Financial Trends

These schedules contain trend information to help the reader understand how the State's financial performance and well-being have changed over time. 361

Revenue Capacity

These schedules contain information to help the reader assess the State's most significant revenue sources: the personal income tax and the sales tax. 368

Debt Capacity

These schedules present information to help the reader assess the affordability of the State's current levels of outstanding debt and the State's ability to issue additional debt in the future. 372

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the State's financial activities take place. 380

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the State's financial report relates to the services the State provides and the activities it performs. 382

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.

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Net Assets by Component

Last Eight Fiscal Year Ends

(Accrual Basis of Accounting, Amounts in Thousands)

| | June 30, | | | | | | | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 |
| Governmental Activities | | | | | | | | |
| Invested in capital assets, net of related debt | \$ 14,174,505 | \$ 13,688,917 | \$ 13,370,326 | \$ 12,518,094 | \$ 12,088,581 | \$ 11,924,560 | \$ 11,750,160 | \$ 11,250,191 |
| Restricted | 998,026 | 978,277 | 954,435 | 956,926 | 942,154 | 912,938 | 1,855,032 | 1,596,793 |
| Unrestricted | (45,117,097) | (39,213,817) | (35,169,568) | (32,218,061) | (30,611,904) | (28,248,123) | (26,445,507) | (21,586,492) |
| Total governmental activities net assets | (29,944,566) | (24,546,623) | (20,844,807) | (18,743,041) | (17,581,169) | (15,410,625) | (12,840,315) | (8,739,508) |
| Business-type activities | | | | | | | | |
| Invested in capital assets, net of related debt | 3,630 | 2,983 | 2,966 | 3,114 | 3,110 | 3,539 | 3,615 | 4,288 |
| Restricted | 2,732,443 | 4,533,482 | 4,534,492 | 3,923,607 | 2,598,458 | 2,380,247 | 2,037,232 | 2,803,667 |
| Unrestricted | (161,927) | (840) | (15,145) | (111,414) | 170,619 | (352,806) | 137,542 | 195,504 |
| Total business-type activities net assets | 2,574,146 | 4,535,625 | 4,522,313 | 3,815,307 | 2,772,187 | 2,030,980 | 2,178,389 | 3,003,459 |
| Primary government | | | | | | | | |
| Invested in capital assets, net of related debt | 14,178,135 | 13,691,900 | 13,373,292 | 12,521,208 | 12,091,691 | 11,928,099 | 11,753,775 | 11,254,479 |
| Restricted | 3,730,469 | 5,511,759 | 5,488,927 | 4,880,533 | 3,540,612 | 3,293,185 | 3,892,264 | 4,400,460 |
| Unrestricted | (45,279,024) | (39,214,657) | (35,184,713) | (32,329,475) | (30,441,285) | (28,600,929) | (26,307,965) | (21,390,988) |
| Total primary government net assets | \$(27,370,420) | \$(20,010,998) | \$(16,322,494) | \$(14,927,734) | \$(14,808,982) | \$(13,379,645) | \$(10,661,926) | \$ (5,736,049) |

Note: The State did not begin reporting government-wide statements until it implemented GASB Statement No. 34 for the fiscal year ended June 30, 2002.

In addition, balances have been restated for prior period adjustments, corrections, and reclassifications when practical.

Fund Balances, Governmental Funds

Last Eight Fiscal Year Ends

(Modified Accrual Basis of Accounting, Amounts in Thousands)

| | June 30, | | | | | | | |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|---------------------|
| | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 |
| General fund | | | | | | | | |
| Reserved | \$ 40,803 | \$ 67,135 | \$ 53,544 | \$ 49,921 | \$ 50,375 | \$ 145,766 | \$ 275,203 | \$ 101,881 |
| Unreserved | (7,722,306) | (4,102,555) | (4,224,670) | (3,020,145) | (3,349,245) | (2,691,535) | (4,455,975) | (3,049,573) |
| Total general fund | (7,681,503) | (4,035,420) | (4,171,126) | (2,970,224) | (3,298,870) | (2,545,769) | (4,180,772) | (2,947,692) |
| All other governmental funds | | | | | | | | |
| Reserved | \$ 507,169 | \$ 488,365 | \$ 165,428 | \$ 180,970 | \$ 158,571 | \$ 316,714 | \$ 166,137 | \$ 158,720 |
| Unreserved, reported in: | | | | | | | | |
| Special revenue funds | 2,048,763 | 2,215,352 | 2,441,850 | 2,506,755 | 1,830,925 | 1,784,366 | 11,044,754 | 2,587,096 |
| Debt service funds | 837,423 | 850,615 | 834,197 | 823,784 | 836,740 | 792,078 | 1,217,431 | 638,407 |
| Capital projects funds | 15,991 | 46,248 | 143,539 | 465,974 | 32,959 | (21,857) | 37,208 | 142,562 |
| Permanent funds | 916 | 1,248 | 1,131 | 1,108 | 418 | 539 | 2,897 | 2,931 |
| Total all other governmental funds | \$ 3,410,262 | \$ 3,601,828 | \$ 3,586,145 | \$ 3,978,591 | \$ 2,859,613 | \$ 2,871,840 | \$ 12,468,427 | \$ 3,529,716 |

Notes: Due to changes in the State's fund structure initiated when the State implemented GASB Statement No. 34 for the fiscal year ended June 30, 2002, comparable fund balance information is not available for fiscal years prior to 2002. In addition, balances have been restated for prior period adjustments, corrections, and reclassifications when practical.

The dramatic increase in unreserved fund balances reported in special revenue funds in fiscal year 2003 was the result of the \$10 billion general obligation bond for funding and reimbursing a portion of the State's contributions to the State's retirement system issued just prior to the end of fiscal year 2003. The majority of the bond issue was not distributed until fiscal year 2004.

State of Illinois

Changes in Net Assets

Last Eight Fiscal Years

(Accrual Basis of Accounting, Amounts in Thousands)

| | For the Fiscal Year Ended June 30, | | | | | |
|---|------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 |
| Governmental Activities: | | | | | | |
| Expenses | | | | | | |
| Health and social services | \$ 24,057,805 | \$ 21,687,952 | \$ 21,417,224 | \$ 18,591,748 | \$ 19,553,743 | \$ 17,746,164 |
| Education | 16,348,835 | 15,242,711 | 14,433,190 | 13,544,450 | 13,623,467 | 13,514,779 |
| General government | 1,917,139 | 1,935,074 | 1,668,454 | 1,502,362 | 492,374 | 535,511 |
| Employment and economic development | 861,955 | 874,861 | 988,866 | 1,091,298 | 968,262 | 1,217,263 |
| Transportation | 4,192,950 | 4,198,002 | 3,818,291 | 3,484,409 | 3,615,977 | 3,530,420 |
| Public protection and justice | 3,246,422 | 3,223,783 | 2,730,219 | 2,560,566 | 2,851,184 | 2,573,918 |
| Environment and business regulation | 872,113 | 926,138 | 835,328 | 733,128 | 899,723 | 778,161 |
| Intergovernmental-revenue sharing | 4,631,525 | 5,139,754 | 5,036,015 | 4,565,480 | 4,197,679 | 3,696,687 |
| Interest | 1,123,866 | 1,137,058 | 1,200,754 | 1,222,382 | 1,218,077 | 1,149,157 |
| Total governmental activities expenses | 57,252,610 | 54,365,333 | 52,128,341 | 47,295,823 | 47,420,486 | 44,742,060 |
| Program revenues | | | | | | |
| Charges for services: | | | | | | |
| Health and social services | 177,666 | 154,884 | 137,591 | 119,559 | 110,330 | 102,745 |
| Education | 4,446 | 4,529 | 14,650 | 4,381 | 6,685 | 10,630 |
| General government | 2,109,969 | 2,100,042 | 2,046,175 | 1,968,930 | 1,986,302 | 1,855,274 |
| Employment and economic development | 20,208 | 19,714 | 22,075 | 22,933 | 20,351 | 19,992 |
| Transportation | 53,885 | 78,574 | 44,292 | 30,483 | 28,829 | 21,632 |
| Public protection and justice | 57,543 | 97,923 | 89,335 | 92,988 | 87,934 | 79,504 |
| Environment and business regulation | 346,929 | 344,794 | 361,174 | 365,324 | 377,194 | 390,085 |
| Operating grants and contributions | 18,041,268 | 14,287,548 | 14,537,244 | 13,498,279 | 13,897,415 | 13,060,543 |
| Capital grants and contributions | 1,495,709 | 1,274,394 | 1,025,947 | 1,040,220 | 866,924 | 862,165 |
| Total governmental activities program revenues | 22,307,623 | 18,362,402 | 18,278,483 | 17,143,097 | 17,381,964 | 16,402,570 |
| Total governmental activities net program expense | (34,944,987) | (36,002,931) | (33,849,858) | (30,152,726) | (30,038,522) | (28,339,490) |
| General revenues and other changes in net assets | | | | | | |
| Taxes | | | | | | |
| Income taxes | 11,845,194 | 13,413,993 | 12,337,762 | 11,224,605 | 10,391,204 | 9,059,096 |
| Sales taxes | 9,157,404 | 10,147,458 | 9,846,437 | 9,603,316 | 9,150,521 | 8,941,852 |
| Motor fuel taxes | 1,349,275 | 1,405,713 | 1,443,544 | 1,426,605 | 1,425,794 | 1,402,081 |
| Public utility taxes | 1,678,023 | 1,691,688 | 1,605,502 | 1,523,795 | 1,521,187 | 1,510,606 |
| Riverboat taxes | 533,271 | 696,835 | 817,590 | 813,489 | 664,569 | 642,370 |
| Hospital assessment taxes | 978,248 | 804,168 | 1,538,512 | 75,515 | 707,619 | 76,077 |
| Other taxes | 2,181,647 | 2,134,966 | 1,973,612 | 1,986,155 | 2,112,874 | 1,933,620 |
| Interest and investment income | 139,553 | 325,057 | 358,191 | 271,291 | 144,455 | 90,573 |
| Other revenues | 1,006,261 | 1,013,148 | 1,173,423 | 1,404,974 | 1,108,333 | 1,547,298 |
| Gain on capital assets traded-in | 4,814 | - | - | - | - | - |
| Transfers | 673,354 | 668,089 | 653,519 | 661,109 | 641,422 | 568,802 |
| Total general revenues and other changes in net assets | 29,547,044 | 32,301,115 | 31,748,092 | 28,990,854 | 27,867,978 | 25,772,375 |
| Total governmental activities change in net assets | (5,397,943) | (3,701,816) | (2,101,766) | (1,161,872) | (2,170,544) | (2,567,115) |

Note: The State did not begin reporting government-wide statements until it implemented GASB Statement No. 34 for the fiscal year ended June 30, 2002. In addition, balances have been restated for prior period adjustments, corrections, and reclassifications when practical.

Revenue from hospital assessment taxes increased significantly during fiscal year 2007 as the State retroactively assessed taxes for fiscal year 2006 revenues upon approval in November 2006 by the federal government of the State's Hospital Assessment plan.

Schedule 3

| 2003 | 2002 |
|------|------|
|------|------|

| | |
|-------------------|-------------------|
| \$ 16,495,962 | \$ 15,773,221 |
| 12,962,131 | 12,309,072 |
| 846,163 | 610,701 |
| 1,342,665 | 1,275,772 |
| 3,807,907 | 3,794,674 |
| 2,498,208 | 2,563,888 |
| 867,002 | 823,035 |
| 3,473,281 | 3,728,891 |
| 672,707 | 547,583 |
| <u>42,966,026</u> | <u>41,426,837</u> |

| | |
|-------------------|-------------------|
| 96,670 | 130,104 |
| 2,306 | 2,306 |
| 1,614,665 | 1,601,352 |
| 24,983 | 17,851 |
| 20,685 | 20,945 |
| 81,633 | 111,918 |
| 232,659 | 249,159 |
| 11,824,638 | 10,851,169 |
| <u>719,759</u> | <u>805,023</u> |
| <u>14,617,998</u> | <u>13,789,827</u> |

| | |
|---------------------|---------------------|
| <u>(28,348,028)</u> | <u>(27,637,010)</u> |
|---------------------|---------------------|

| | |
|-------------------|-------------------|
| 8,509,857 | 8,612,430 |
| 8,227,295 | 8,299,981 |
| 1,325,748 | 1,353,947 |
| 1,605,144 | 1,508,633 |
| 670,478 | 580,208 |
| 83,276 | 68,507 |
| 1,827,859 | 1,695,624 |
| 124,407 | 225,460 |
| 1,344,446 | 755,939 |
| - | - |
| <u>528,711</u> | <u>548,791</u> |
| <u>24,247,221</u> | <u>23,649,520</u> |

| | |
|--------------------|--------------------|
| <u>(4,100,807)</u> | <u>(3,987,490)</u> |
|--------------------|--------------------|

State of Illinois
Changes in Net Assets
Last Eight Fiscal Years
(Accrual Basis of Accounting, Amounts in Thousands)

| | For the Fiscal Year Ended June 30, | | | | | |
|--|------------------------------------|-----------------------|-----------------------|---------------------|-----------------------|-----------------------|
| | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 |
| Business-Type Activities: | | | | | | |
| Expenses | | | | | | |
| Unemployment compensation trust | 5,086,053 | 1,991,147 | 1,795,169 | 1,731,262 | 1,982,556 | 2,672,436 |
| Water revolving | 18,085 | 17,689 | 22,820 | 22,620 | 23,988 | 18,519 |
| Prepaid tuition program | 74,718 | 73,559 | 61,641 | 50,730 | 41,148 | 35,771 |
| Designated account purchase program | 62,622 | 101,174 | 303,817 | 267,707 | 167,074 | 110,961 |
| Insurance programs | | - | - | 409,726 | 379,752 | 335,476 |
| Lottery | 1,443,717 | 1,411,951 | 1,370,559 | 1,334,373 | 1,196,982 | 1,144,936 |
| Federal student loans | 199,964 | 192,771 | 180,554 | 146,053 | 123,694 | 102,715 |
| Other | 122,312 | 148,273 | 212,217 | 93,633 | 95,892 | 93,990 |
| Total business-type activities expenses | 7,007,471 | 3,936,564 | 3,946,777 | 4,056,104 | 4,011,086 | 4,514,804 |
| Program revenues | | | | | | |
| Charges for services: | | | | | | |
| Unemployment compensation trust | 1,600,817 | 1,998,139 | 2,391,445 | 2,678,643 | 2,602,747 | 2,336,187 |
| Water revolving | 46,007 | 44,163 | 62,818 | 55,557 | 49,833 | 38,018 |
| Prepaid tuition program | (153,932) | (75,740) | 127,123 | 52,090 | 49,979 | 50,263 |
| Designated account purchase program | 50,809 | 74,913 | 192,214 | 163,023 | 107,734 | 89,077 |
| Insurance programs | - | - | - | 421,950 | 376,730 | 326,380 |
| Lottery | 2,082,039 | 2,062,048 | 2,003,739 | 1,968,755 | 1,818,422 | 1,712,831 |
| Federal student loans | 19,756 | 25,629 | 172,003 | 134,277 | 117,980 | 98,698 |
| Other | 130,858 | 136,975 | 166,230 | 96,398 | 120,799 | 136,067 |
| Operating grants and contributions | 1,866,986 | 246,854 | 178,263 | 140,578 | 120,347 | 140,484 |
| Total business-type activities program revenues | 5,643,340 | 4,512,981 | 5,293,835 | 5,711,271 | 5,364,571 | 4,928,005 |
| Total business-type activities net program revenue (expense) | (1,364,131) | 576,417 | 1,347,058 | 1,655,167 | 1,353,485 | 413,201 |
| General revenues and other changes in net assets | | | | | | |
| Interest and investment income | 76,006 | 115,694 | 86,036 | 48,698 | 27,679 | 8,057 |
| Other revenues | - | 145 | 1,900 | 364 | 1,465 | 135 |
| Special items | - | (10,855) | - | - | - | - |
| Transfers | (673,354) | (668,089) | (653,519) | (661,109) | (641,422) | (568,802) |
| Total business-type activities general revenues and other changes in net assets | (597,348) | (563,105) | (565,583) | (612,047) | (612,278) | (560,610) |
| Total business-type activities change in net assets | (1,961,479) | 13,312 | 781,475 | 1,043,120 | 741,207 | (147,409) |
| Total primary government change in net assets | \$ (7,359,422) | \$ (3,688,504) | \$ (1,320,291) | \$ (118,752) | \$ (1,429,337) | \$ (2,714,524) |

Note: Effective for the year ended June 30, 2007, the Teachers Health Insurance Security Fund and the Community College Health Insurance Security Fund are reported as pension (and other employment benefit) funds. They were reported as enterprise funds in previous years.

Schedule 3 (continued)

| 2003 | 2002 |
|-----------------------------|-----------------------------|
| 3,054,290 | 2,667,222 |
| 15,828 | 9,472 |
| 25,825 | 15,864 |
| 112,153 | 105,345 |
| 294,569 | 269,068 |
| 1,054,094 | 1,033,457 |
| 117,718 | 116,569 |
| 134,251 | 135,619 |
| <u>4,808,728</u> | <u>4,352,616</u> |
| | |
| 2,009,704 | 1,422,942 |
| 38,169 | 34,147 |
| 13,615 | (6,410) |
| 91,748 | 96,556 |
| 320,299 | 290,357 |
| 1,589,846 | 1,598,982 |
| 115,540 | 114,719 |
| 144,080 | 127,071 |
| <u>155,607</u> | <u>361,689</u> |
| <u>4,478,608</u> | <u>4,040,053</u> |
| | |
| <u>(330,120)</u> | <u>(312,563)</u> |
| | |
| 33,647 | 89,136 |
| 114 | 100 |
| - | - |
| <u>(528,711)</u> | <u>(548,791)</u> |
| | |
| <u>(494,950)</u> | <u>(459,555)</u> |
| | |
| <u>(825,070)</u> | <u>(772,118)</u> |
| | |
| <u><u>\$(4,925,877)</u></u> | <u><u>\$(4,759,608)</u></u> |

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Changes in Fund Balances, Governmental Funds

Last Eight Fiscal Years

(Modified Accrual Basis of Accounting, Amounts in Thousands)

| | For the Fiscal Year Ended June 30, | | | | | | | |
|---|------------------------------------|-------------------|-----------------------|---------------------|---------------------|-----------------------|---------------------|-----------------------|
| | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 |
| Revenues | | | | | | | | |
| Income taxes | \$ 11,860,233 | \$ 13,546,025 | \$ 12,244,124 | \$ 11,253,161 | \$ 10,382,711 | \$ 9,029,052 | \$ 8,504,873 | \$ 8,665,700 |
| Sales taxes | 9,156,235 | 10,142,098 | 9,864,637 | 9,590,006 | 9,148,752 | 8,937,628 | 8,227,102 | 8,307,399 |
| Motor fuel taxes | 1,350,032 | 1,410,656 | 1,436,518 | 1,426,963 | 1,425,776 | 1,408,961 | 1,377,995 | 1,355,665 |
| Public utility taxes | 1,667,389 | 1,695,635 | 1,615,402 | 1,531,206 | 1,523,083 | 1,489,459 | 1,612,941 | 1,533,836 |
| Riverboat taxes | 533,271 | 696,835 | 817,590 | 813,489 | 664,569 | 642,370 | 670,478 | 580,208 |
| Hospital assessment taxes | 975,086 | 1,538,237 | 804,797 | 75,515 | 707,619 | 76,077 | 83,276 | 68,507 |
| Other taxes | 2,168,168 | 2,100,913 | 1,973,752 | 1,990,265 | 2,118,860 | 1,908,260 | 1,827,394 | 1,678,874 |
| Federal government | 18,148,428 | 15,123,364 | 14,343,656 | 13,568,161 | 13,345,290 | 13,087,499 | 11,756,201 | 10,941,333 |
| Licenses and fees | 2,051,258 | 2,138,772 | 2,126,360 | 2,133,112 | 2,153,560 | 2,098,169 | 1,675,796 | 1,707,395 |
| Interest and other investment income | 136,596 | 318,787 | 349,817 | 265,999 | 142,798 | 90,085 | 123,758 | 223,641 |
| Other revenues | 2,256,182 | 2,186,591 | 2,401,881 | 2,668,622 | 2,407,546 | 2,374,839 | 2,162,727 | 1,656,079 |
| Total revenues | 50,302,878 | 50,897,913 | 47,978,534 | 45,316,499 | 44,020,564 | 41,142,399 | 38,022,541 | 36,718,637 |
| Expenditures | | | | | | | | |
| Health and social services | 23,696,922 | 21,212,437 | 21,231,376 | 18,438,775 | 19,492,899 | 18,014,003 | 16,477,116 | 15,760,047 |
| Education | 14,319,907 | 13,281,734 | 12,357,592 | 11,593,903 | 12,218,024 | 18,136,163 | 11,693,002 | 11,395,816 |
| General government | 1,360,562 | 1,304,174 | 1,316,223 | 1,183,333 | 228,730 | 443,041 | 613,779 | 379,135 |
| Employment and economic development | 802,053 | 814,898 | 960,102 | 1,062,001 | 963,293 | 1,246,758 | 1,344,047 | 1,272,789 |
| Transportation | 3,080,860 | 3,029,674 | 2,800,738 | 2,468,345 | 2,702,364 | 2,736,531 | 2,942,719 | 2,972,064 |
| Public protection and justice | 2,817,374 | 2,723,434 | 2,488,988 | 2,338,618 | 2,700,104 | 2,887,584 | 2,434,904 | 2,476,364 |
| Environment and business regulation | 802,942 | 797,785 | 770,455 | 669,501 | 858,386 | 828,729 | 899,288 | 805,294 |
| Debt service: | | | | | | | | |
| Principal | 928,339 | 937,114 | 864,533 | 820,486 | 775,756 | 662,936 | 735,430 | 663,553 |
| Interest | 1,102,787 | 1,100,439 | 1,116,514 | 1,117,167 | 1,083,680 | 1,026,546 | 490,854 | 405,449 |
| Capital outlay | 1,456,465 | 1,238,397 | 1,607,162 | 1,544,912 | 1,397,108 | 1,628,632 | 1,754,708 | 1,787,562 |
| Intergovernmental | 4,631,525 | 5,139,754 | 5,036,015 | 4,565,480 | 4,197,679 | 3,696,687 | 3,473,281 | 3,728,891 |
| Total expenditures | 54,999,736 | 51,579,840 | 50,549,698 | 45,802,521 | 46,618,023 | 51,307,610 | 42,859,128 | 41,646,964 |
| Excess of revenues over (under) expenditures | (4,696,858) | (681,927) | (2,571,164) | (486,022) | (2,597,459) | (10,165,211) | (4,836,587) | (4,928,327) |
| Other Financing Sources (Uses) | | | | | | | | |
| General and special obligation bonds issued | 150,000 | 175,000 | 258,000 | 1,140,000 | 1,075,000 | 1,525,000 | 11,894,304 | 1,650,000 |
| Premiums on general and special obligation bonds issued | 2,290 | 6,724 | 12,085 | 63,780 | 73,513 | 76,773 | 116,805 | 67,192 |
| Discounts on general obligation bonds issued | - | - | - | - | - | - | (2,869) | - |
| General and special obligation refunding bonds issued | - | - | 329,000 | 274,950 | - | 617,175 | 695,025 | 654,045 |
| Premiums on general and special obligation refunding bonds issued | - | - | 14,014 | 11,824 | - | 63,171 | 65,573 | 50,269 |
| Transfers-in | 9,554,492 | 11,883,985 | 9,088,399 | 8,779,739 | 10,017,074 | 10,485,498 | 7,488,813 | 5,322,479 |
| Transfers-out | (8,864,876) | (11,214,684) | (8,402,727) | (8,073,119) | (9,331,080) | (9,889,388) | (6,960,102) | (4,783,418) |
| Payment to refunded bond escrow agent | - | - | (341,849) | (285,778) | - | (678,668) | (757,330) | (697,084) |
| Capital lease financing | 1,364 | 1,625 | 8,288 | 1,366 | 3,232 | 2,512 | 4,415 | 21,829 |
| Proceeds from disposition of capital assets | - | - | - | 5,500 | - | - | - | - |
| Total other financing sources (uses) | 843,270 | 852,650 | 965,210 | 1,918,262 | 1,837,739 | 2,202,073 | 12,544,634 | 2,285,312 |
| Net change in fund balances | \$ (3,853,588) | \$ 170,723 | \$ (1,605,954) | \$ 1,432,240 | \$ (759,720) | \$ (7,963,138) | \$ 7,708,047 | \$ (2,643,015) |
| Debt service as a percentage of noncapital expenditures | 3.79% | 4.05% | 4.05% | 4.38% | 4.11% | 3.40% | 2.98% | 2.68% |

Note: Due to changes in the State's fund structure initiated when the State implemented GASB Statement No. 34 for the fiscal year ended June 30, 2002, comparable fund balance information is not available for fiscal years prior to 2002. In addition, balances have been restated for prior period adjustments, corrections, and reclassifications when practical.

The dramatic increase in net change in fund balances reported in fiscal year 2003 was the result of the \$10 billion general obligation bond issued for funding and reimbursing a portion of the State's contributions to the State's retirement systems. The majority of the bond issue was shown as expenditures in fiscal year 2004 causing a corresponding decrease in net change in fund balance.

Revenue from hospital assessment taxes increased significantly during fiscal year 2008 as the State recognized assessed taxes from the previous fiscal year which were unavailable at June 30, 2007.

State of Illinois**Personal Income by Industry
Last Ten Calendar Years
(Amounts in Thousands)**

| | For the Calendar Year | | | | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2008 | 2007 | 2006 | 2005 | 2004 |
| Farm earnings | \$ 5,188,222 | \$ 3,176,180 | \$ 2,078,022 | \$ 1,830,007 | \$ 3,740,372 |
| Agricultural/forestry, fishing, and other | 380,804 | 357,379 | 344,059 | 335,074 | 317,432 |
| Mining | 2,405,469 | 2,131,971 | 2,765,061 | 2,317,874 | 2,055,374 |
| Construction/utilities | 27,324,268 | 28,462,977 | 28,794,477 | 26,932,201 | 25,869,656 |
| Manufacturing | 50,231,388 | 50,068,446 | 48,647,548 | 47,039,206 | 45,944,451 |
| Transportation and public utilities | 16,678,484 | 16,557,328 | 16,486,056 | 15,541,871 | 14,768,596 |
| Wholesale trade | 26,741,139 | 26,295,780 | 24,612,794 | 23,160,257 | 21,925,351 |
| Retail trade | 22,451,518 | 23,021,858 | 22,162,856 | 21,515,885 | 20,897,006 |
| Finance, insurance, and real estate | 45,056,748 | 45,363,010 | 44,379,687 | 41,569,224 | 40,520,637 |
| Services | 164,752,517 | 159,428,372 | 151,644,458 | 142,590,569 | 134,818,796 |
| Federal, civilian | 8,644,926 | 8,431,627 | 8,172,661 | 7,975,398 | 7,678,762 |
| Military | 3,321,680 | 3,107,003 | 2,911,719 | 2,834,733 | 2,741,011 |
| State and local government | 44,452,054 | 42,699,158 | 40,860,095 | 39,567,981 | 41,849,193 |
| Other | 128,715,042 | 124,060,617 | 110,768,364 | 98,974,737 | 92,288,929 |
| Total personal income | \$ 546,344,259 | \$ 533,161,706 | \$ 504,627,857 | \$ 472,185,017 | \$ 455,415,566 |
| Tax liability | \$ 8,402,169 | \$ 8,762,122 | \$ 8,388,536 | \$ 7,729,649 | \$ 7,394,901 |
| Average effective rate | 1.54% | 1.64% | 1.66% | 1.64% | 1.62% |

Note: The total direct rate for personal income is not available.

Average effective rate equals tax collections divided by income.

Source: U.S. Bureau of Economic Analysis

State of Illinois**Taxable Sales by Industry
Last Ten Fiscal Years
(Amounts in Thousands)**

| | For the Fiscal Year | | | | |
|---------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2009 | 2008 | 2007 | 2006 | 2005 |
| General merchandise | \$ 17,198,339 | \$ 20,795,910 | \$ 20,309,083 | \$ 19,600,033 | \$ 19,088,864 |
| Food | 19,434,980 | 20,055,709 | 18,894,356 | 18,832,493 | 18,362,003 |
| Drinking and eating places | 17,362,456 | 17,839,212 | 17,116,672 | 16,627,151 | 15,652,501 |
| Apparel | 9,192,958 | 6,360,979 | 6,141,805 | 5,827,022 | 5,528,017 |
| Furniture, household, and radio | 8,797,308 | 10,466,904 | 10,280,540 | 10,441,898 | 9,897,051 |
| Lumber, building, and hardware | 8,678,872 | 9,856,565 | 10,456,412 | 10,879,756 | 10,414,709 |
| Automotive and filling stations | 30,512,679 | 41,172,601 | 35,424,875 | 36,403,048 | 32,832,263 |
| Drugs and other retail | 24,366,956 | 25,329,145 | 24,817,828 | 22,775,595 | 21,351,837 |
| Agriculture and extractives | 23,809,122 | 27,059,367 | 25,952,233 | 25,522,299 | 31,350,034 |
| Manufacturing | 4,445,506 | 4,990,610 | 5,068,327 | 4,927,891 | 4,639,168 |
| Total | \$ 163,799,176 | \$ 183,927,002 | \$ 174,462,131 | \$ 171,837,186 | \$ 169,116,447 |

Direct sales tax rate:

| | | | | | |
|---|-------|-------|-------|-------|-------|
| Qualifying food, drugs, and medical appliances | 1.00% | 1.00% | 1.00% | 1.00% | 1.00% |
| General merchandise | 6.25% | 6.25% | 6.25% | 6.25% | 6.25% |

Source: Department of Revenue

Schedule 5

| Ended December 31, | | | | |
|---------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| 2003 | 2002 | 2001 | 2000 | 1999 |
| \$ 1,949,195 | \$ 955,707 | \$ 1,662,354 | \$ 1,794,150 | \$ 1,078,224 |
| 287,288 | 265,160 | 244,085 | 221,372 | 217,569 |
| 1,873,786 | 1,732,984 | 1,567,939 | 1,980,546 | 1,347,871 |
| 24,894,523 | 24,320,875 | 23,449,030 | 22,413,287 | 20,647,466 |
| 45,053,128 | 44,956,505 | 45,583,071 | 47,113,287 | 45,932,796 |
| 13,961,448 | 13,697,947 | 13,778,062 | 12,938,111 | 12,340,096 |
| 20,752,693 | 20,655,643 | 20,669,726 | 20,921,393 | 19,570,671 |
| 20,436,243 | 19,765,409 | 19,207,567 | 18,482,354 | 17,832,528 |
| 37,983,889 | 37,148,809 | 35,749,056 | 34,573,919 | 31,289,365 |
| 126,321,834 | 122,806,308 | 119,268,190 | 115,150,456 | 107,407,821 |
| 7,106,845 | 6,968,280 | 6,646,133 | 6,760,798 | 6,317,280 |
| 2,590,243 | 2,379,260 | 2,173,017 | 2,072,210 | 2,006,287 |
| 42,570,966 | 36,101,800 | 34,124,171 | 31,913,368 | 30,342,504 |
| 90,170,398 | 91,638,430 | 91,022,690 | 89,583,548 | 82,084,702 |
| <u>\$ 435,952,479</u> | <u>\$ 423,393,117</u> | <u>\$ 415,145,091</u> | <u>\$ 405,918,799</u> | <u>\$ 378,415,180</u> |
| <u>\$ 6,797,980</u> | <u>\$ 6,500,463</u> | <u>\$ 6,773,749</u> | <u>\$ 7,135,222</u> | <u>\$ 6,745,012</u> |
| <u>1.56%</u> | <u>1.54%</u> | <u>1.63%</u> | <u>1.76%</u> | <u>1.78%</u> |

Schedule 6

| Ended June 30, | | | | |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| 2004 | 2003 | 2002 | 2001 | 2000 |
| \$ 18,626,322 | \$ 17,988,962 | \$ 17,766,204 | \$ 16,571,654 | \$ 15,719,843 |
| 18,741,796 | 18,433,453 | 18,259,623 | 2,165,371 | 17,167,623 |
| 14,968,004 | 14,036,937 | 13,746,083 | 14,030,965 | 7,627,704 |
| 5,159,596 | 4,806,953 | 4,681,229 | 4,832,152 | 4,615,902 |
| 9,224,073 | 8,529,475 | 8,492,443 | 8,828,065 | 8,937,271 |
| 9,593,743 | 8,582,184 | 8,334,140 | 7,638,291 | 7,603,666 |
| 31,613,327 | 30,962,662 | 25,372,775 | 29,693,612 | 29,911,280 |
| 20,414,099 | 25,348,617 | 18,403,946 | 18,202,310 | 17,048,416 |
| 20,922,639 | 21,010,315 | 51,228,642 | 20,974,205 | 21,889,025 |
| 3,896,955 | 4,059,975 | 3,885,721 | 4,568,658 | 3,330,505 |
| <u>\$ 153,160,554</u> | <u>\$ 153,759,533</u> | <u>\$ 170,170,806</u> | <u>\$ 127,505,283</u> | <u>\$ 133,851,235</u> |
| 1.00% | 1.00% | 1.00% | 1.00% | 1.00% |
| 6.25% | 6.25% | 6.25% | 6.25% | 6.25% |

Personal Income Tax Filers and Liability by Income Level
Calendar Years 2008 and 1999
(Amounts in Thousands)

For the Calendar Year Ended December 31, 2008

| Income Level | Number of Filers | Percentage of Total | Personal Income Tax Liability | Percentage of Total |
|-----------------------|-------------------------|----------------------------|--------------------------------------|----------------------------|
| \$500,001 and higher | 40,649 | 0.72% | \$ 1,719,156 | 20.46% |
| \$100,001 - \$500,000 | 787,948 | 14.00% | 3,119,598 | 37.13% |
| \$50,001 - \$100,000 | 1,337,020 | 23.76% | 2,081,865 | 24.78% |
| \$25,001 - \$50,000 | 1,312,161 | 23.32% | 1,025,260 | 12.20% |
| \$25,000 and less | 2,149,204 | 38.20% | 456,290 | 5.43% |
| Total | 5,626,982 | 100.00% | \$ 8,402,169 | 100.00% |

For the Calendar Year Ended December 31, 1999

| Income Level | Number of Filers | Percentage of Total | Personal Income Tax Liability | Percentage of Total |
|-----------------------|-------------------------|----------------------------|--------------------------------------|----------------------------|
| \$500,001 and higher | 29,529 | 0.56% | \$ 1,305,302 | 19.35% |
| \$100,001 - \$500,000 | 449,946 | 8.56% | 1,910,628 | 28.33% |
| \$50,001 - \$100,000 | 1,159,528 | 22.07% | 1,912,961 | 28.36% |
| \$25,001 - \$50,000 | 1,323,911 | 25.20% | 1,104,538 | 16.38% |
| \$25,000 and less | 2,291,181 | 43.61% | 511,583 | 7.58% |
| Total | 5,254,095 | 100.00% | \$ 6,745,012 | 100.00% |

Note: Generally, the tax liability for a filer (an individual or married couple) is calculated by taking the filer(s)'s federal adjusted gross income and subtracting the number of exemptions and multiplying the result by the State's income tax rate of 3%. The State exemption amount was \$1,650 for calendar year 1999 and \$2,000 for calendar year 2008. An exemption is allowed on a return for each filer(s) and dependent(s). Additional exemptions are allowed for each filer(s) who is 65 or older and for each filer(s) who is legally blind.

Source: Department of Revenue

Sales Tax Revenue Payers by Industry
Fiscal Years 2009 and 2000
(Amounts in Thousands)

| | For the Fiscal Year Ended June 30, 2009 | | | |
|---------------------------------|---|------------------------|----------------------|------------------------|
| | Number of Filers | Percentage of Total | Tax Liability | Percentage of Total |
| General merchandise | 2,233 | 0.19% | \$ 1,178,526 | 10.34% |
| Food | 7,263 | 0.63% | 773,315 | 6.79% |
| Drinking and eating places | 24,909 | 2.16% | 1,476,333 | 12.96% |
| Apparel | 7,549 | 0.65% | 685,516 | 6.02% |
| Furniture, household, and radio | 13,800 | 1.20% | 718,671 | 6.31% |
| Lumber, building, and hardware | 12,468 | 1.08% | 724,499 | 6.36% |
| Automotive and filling stations | 953,277 | 82.56% | 2,157,288 | 18.94% |
| Drugs and other retail | 56,664 | 4.91% | 1,409,555 | 12.37% |
| Agriculture and extractives | 64,113 | 5.55% | 1,857,501 | 16.30% |
| Manufacturing | 12,377 | 1.07% | 411,405 | 3.61% |
| Total | 1,154,653 | 100.00% | \$ 11,392,609 | 100.00% |

| | For the Fiscal Year Ended June 30, 2000 | | | |
|---------------------------------|---|------------------------|---------------------|------------------------|
| | Number of Filers | Percentage of Total | Tax Liability | Percentage of Total |
| General merchandise | 1,149 | 0.39% | \$ 1,022,490 | 10.98% |
| Food | 9,611 | 3.30% | 566,594 | 6.09% |
| Drinking and eating places | 25,891 | 8.90% | 1,030,189 | 11.07% |
| Apparel | 6,399 | 2.20% | 355,718 | 3.82% |
| Furniture, household, and radio | 18,609 | 6.40% | 650,685 | 6.99% |
| Lumber, building, and hardware | 13,546 | 4.66% | 570,088 | 6.12% |
| Automotive and filling stations | 61,742 | 21.22% | 2,037,654 | 21.89% |
| Drugs and other retail | 63,814 | 21.93% | 983,798 | 10.57% |
| Agriculture and extractives | 76,879 | 26.42% | 1,693,896 | 18.19% |
| Manufacturing | 13,321 | 4.58% | 398,546 | 4.28% |
| Total | 290,961 | 100.00% | \$ 9,309,658 | 100.00% |

Note: Due to confidentiality issues, the names of the ten largest sales tax revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the State's sales tax revenue.

Also, in fiscal year 2003, the Department of Revenue changed their system of returns for automobile sales to counting each individual sale of a vehicle as a sales tax return filed.

Source: Department of Revenue

State of Illinois

**Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(Amounts in Thousands)**

| | 2009 | 2008 | 2007 | 2006 | For the Fiscal 2005 |
|---|----------------------|----------------------|----------------------|----------------------|------------------------|
| Governmental activities | | | | | |
| General obligation bonds | \$ 19,669,908 | \$ 20,253,876 | \$ 20,865,798 | \$ 21,257,664 | \$ 20,909,291 |
| Special obligation bonds | 2,204,110 | 2,365,323 | 2,467,733 | 2,614,724 | 2,515,469 |
| Capital leases | 8,736 | 9,727 | 10,735 | 11,392 | 11,139 |
| Installment purchases | 19,067 | 12,302 | 16,241 | 10,574 | 16,123 |
| Certificates of participation | 82,895 | 90,300 | 97,335 | 107,580 | 114,805 |
| Total governmental activities | 21,984,716 | 22,731,528 | 23,457,842 | 24,001,934 | 23,566,827 |
| Business-type activities | | | | | |
| Revenue bonds | 1,027,300 | 879,441 | 3,709,323 | 4,454,444 | 4,675,455 |
| Notes payable | - | - | - | - | - |
| Capital leases | 3 | 5 | - | - | 24 |
| Installment purchases | - | - | - | - | - |
| Total business-type activities | 1,027,303 | 879,446 | 3,709,323 | 4,454,444 | 4,675,479 |
| Total primary government | \$ 23,012,019 | \$ 23,610,974 | \$ 27,167,165 | \$ 28,456,378 | \$ 28,242,306 |
| Total primary government debt as a percentage of personal income | 4.21% | 4.43% | 5.38% | 6.03% | 6.20% |
| Total amount of primary government debt per capita | \$ 1.784 | \$ 1.841 | \$ 2.129 | \$ 2.240 | \$ 2.230 |

Note: Details regarding the State's debt can be found in Note 8 of the financial statements.

Schedule 9

| Year Ended June 30, | | | | |
|----------------------------|----------------------|----------------------|----------------------|----------------------|
| 2004 | 2003 | 2002 | 2001 | 2000 |
| \$ 20,554,896 | \$ 19,779,249 | \$ 8,300,408 | \$ 7,350,525 | \$ 6,599,444 |
| 2,409,159 | 2,130,229 | 1,968,535 | 1,932,440 | 1,883,343 |
| 13,895 | 19,022 | 21,775 | 14,704 | 17,532 |
| 10,217 | 19,859 | 29,166 | 26,637 | 21,422 |
| 122,965 | 130,720 | 138,090 | 147,915 | 155,305 |
| <u>23,111,132</u> | <u>22,079,079</u> | <u>10,457,974</u> | <u>9,472,221</u> | <u>8,677,046</u> |
| 3,785,870 | 3,260,400 | 2,650,830 | 1,891,235 | 1,465,850 |
| 685,469 | 100,294 | 100,294 | 100,494 | 100,594 |
| 50 | 75 | 75 | 770 | 921 |
| 4 | 29 | 38 | 7,781 | 4,167 |
| <u>4,471,393</u> | <u>3,360,798</u> | <u>2,751,237</u> | <u>2,000,280</u> | <u>1,571,532</u> |
| <u>\$ 27,582,525</u> | <u>\$ 25,439,877</u> | <u>\$ 13,209,211</u> | <u>\$ 11,472,501</u> | <u>\$ 10,248,578</u> |
| <u>6.33%</u> | <u>6.01%</u> | <u>3.18%</u> | <u>2.83%</u> | <u>2.71%</u> |
| <u>\$ 2.187</u> | <u>\$ 2.025</u> | <u>\$ 1.056</u> | <u>\$ 0.922</u> | <u>\$ 0.829</u> |

State of Illinois

Ratios of General Bonded Debt Outstanding and Debt Limitations

Last Ten Fiscal Years

(Amounts in Thousands)

| | 2009 | 2008 | 2007 | 2006 | For the Fiscal 2005 |
|---|----------------------|----------------------|----------------------|----------------------|------------------------|
| General bonded debt | | | | | |
| General obligation bonds | \$ 19,669,908 | \$ 20,253,876 | \$ 20,865,798 | \$ 21,257,664 | \$ 20,909,291 |
| Special obligation bonds | 2,204,110 | 2,365,323 | 2,467,733 | 2,614,724 | 2,515,469 |
| | 21,874,018 | 22,619,199 | 23,333,531 | 23,872,388 | 23,424,760 |
| Less: Amounts restricted for debt service | 848,302 | 861,152 | 846,063 | 833,273 | 848,213 |
| Net total general bonded debt | <u>\$ 21,025,716</u> | <u>\$ 21,758,047</u> | <u>\$ 22,487,468</u> | <u>\$ 23,039,115</u> | <u>\$ 22,576,547</u> |
| Total general bonded debt as a percentage of personal income | <u>3.85%</u> | <u>4.08%</u> | <u>4.46%</u> | <u>4.88%</u> | <u>4.96%</u> |
| Total general bonded debt as a percentage of taxable sales | <u>12.84%</u> | <u>11.83%</u> | <u>12.89%</u> | <u>13.41%</u> | <u>13.35%</u> |
| Total amount of general obligation debt per capita | <u>\$ 1.630</u> | <u>\$ 1.696</u> | <u>\$ 1.762</u> | <u>\$ 1.814</u> | <u>\$ 1.782</u> |
| Authorized general bonded debt | | | | | |
| General obligation bonds | \$ 39,231,174 | \$ 34,196,174 | \$ 34,196,174 | \$ 34,196,174 | \$ 34,196,174 |
| Special obligation bonds | 4,005,509 | 4,005,509 | 4,005,509 | 4,005,509 | 4,005,509 |
| Total authorized general bonded debt | <u>\$ 43,236,683</u> | <u>\$ 38,201,683</u> | <u>\$ 38,201,683</u> | <u>\$ 38,201,683</u> | <u>\$ 38,201,683</u> |
| Issued general bonded debt | | | | | |
| General obligation bonds | \$ 34,140,911 | \$ 33,990,911 | \$ 33,865,911 | \$ 33,278,911 | \$ 32,078,961 |
| Special obligation bonds | 3,435,413 | 3,437,968 | 3,387,968 | 3,387,968 | 3,172,968 |
| Total issued general bonded debt | <u>\$ 37,576,324</u> | <u>\$ 37,428,879</u> | <u>\$ 37,253,879</u> | <u>\$ 36,666,879</u> | <u>\$ 35,251,929</u> |
| General bonded debt margin (Authorized but unissued debt) | | | | | |
| General obligation bonds | \$ 7,809,162 | \$ 2,765,379 | \$ 2,732,465 | \$ 3,110,369 | \$ 4,167,371 |
| Special obligation bonds | 570,096 | 567,541 | 617,541 | 617,541 | 832,541 |
| Total general bonded debt margin | <u>\$ 8,379,258</u> | <u>\$ 3,332,920</u> | <u>\$ 3,350,006</u> | <u>\$ 3,727,910</u> | <u>\$ 4,999,912</u> |
| Issued bonded debt to authorized bonded debt ratio | | | | | |
| General obligation bonds | 87.02% | 99.40% | 99.03% | 97.32% | 93.81% |
| Special obligation bonds | 85.77% | 85.83% | 84.58% | 84.58% | 79.22% |
| Total issued bonded debt to authorized bonded debt ratio | 86.91% | 97.98% | 97.52% | 95.98% | 92.28% |

Note: Details regarding the State's general obligation bonds can be found in Note 9 of the financial statements.

Details regarding the State's special obligation bonds can be found in Note 10 of the financial statements.

The State's authorized bonded debt limits are established by the General Obligation Bond Act (30 ILCS 330), the Metropolitan Civic Center Support Act (30 ILCS 355), and the Build Illinois Bond Act (30 ILCS 425).

Schedule 10

| Year Ended June 30, | | | | |
|----------------------------|----------------------|----------------------|----------------------|----------------------|
| 2004 | 2003 | 2002 | 2001 | 2000 |
| \$ 20,554,896 | \$ 19,779,249 | \$ 8,300,408 | \$ 7,350,525 | \$ 6,599,444 |
| 2,409,159 | 2,130,229 | 1,968,535 | 1,932,440 | 1,883,343 |
| 22,964,055 | 21,909,478 | 10,268,943 | 9,282,965 | 8,482,787 |
| 799,825 | 745,023 | 648,156 | 809,384 | 925,236 |
| <u>\$ 22,164,230</u> | <u>\$ 21,164,455</u> | <u>\$ 9,620,787</u> | <u>\$ 8,473,581</u> | <u>\$ 7,557,551</u> |
| 5.08% | 5.00% | 2.32% | 2.09% | 2.00% |
| 14.47% | 13.76% | 5.65% | 6.65% | 5.65% |
| <u>\$ 1.758</u> | <u>\$ 1.684</u> | <u>\$ 0.769</u> | <u>\$ 0.681</u> | <u>\$ 0.612</u> |
| \$ 34,196,174 | \$ 34,927,174 | \$ 24,927,174 | \$ 22,534,032 | \$ 21,466,658 |
| 4,005,509 | 4,005,509 | 4,005,509 | 3,740,715 | 3,051,970 |
| <u>\$ 38,201,683</u> | <u>\$ 38,932,683</u> | <u>\$ 28,932,683</u> | <u>\$ 26,274,747</u> | <u>\$ 24,518,628</u> |
| \$ 31,203,961 | \$ 29,411,786 | \$ 17,134,807 | \$ 15,236,337 | \$ 13,958,482 |
| 2,972,968 | 2,622,968 | 2,442,493 | 2,294,138 | 2,171,413 |
| <u>\$ 34,176,929</u> | <u>\$ 32,034,754</u> | <u>\$ 19,577,300</u> | <u>\$ 17,530,475</u> | <u>\$ 16,129,895</u> |
| \$ 4,915,346 | \$ 7,204,988 | \$ 9,293,541 | \$ 8,536,925 | \$ 8,586,451 |
| 1,032,541 | 1,382,541 | 1,563,016 | 1,446,577 | 880,557 |
| <u>\$ 5,947,887</u> | <u>\$ 8,587,529</u> | <u>\$ 10,856,557</u> | <u>\$ 9,983,502</u> | <u>\$ 9,467,008</u> |
| 91.25% | 84.21% | 68.74% | 67.61% | 65.02% |
| 74.22% | 65.48% | 60.98% | 61.33% | 71.15% |
| 89.46% | 82.28% | 67.67% | 66.72% | 65.79% |

Pledged Revenue Coverage
Last Ten Fiscal Years
(Amounts in Thousands)

| Amounts in Thousands | | | | | | | | |
|---|-------------------|---------------------------------|--|---------------------------|------------|------------|----------|--|
| Fiscal Year | Gross Revenues | Direct Operating Expenses | Net Revenue Available for Debt Service | Debt Service Requirements | | | Coverage | |
| | | | | Principal | Interest | Total | | |
| PRIMARY GOVERNMENT | | | | | | | | |
| Build Illinois Bond Fund - Pledged revenue of portion of sales tax collections | | | | | | | | |
| 2009 | \$ 500,012 | \$ - | \$ 500,012 | \$ 152,065 | \$ 113,199 | \$ 265,264 | 1.88 | |
| 2008 | 560,514 | - | 560,514 | 145,505 | 120,417 | 265,922 | 2.11 | |
| 2007 | 545,699 | - | 545,699 | 138,515 | 125,698 | 264,213 | 2.07 | |
| 2006 | 523,584 | - | 523,584 | 116,840 | 121,566 | 238,406 | 2.20 | |
| 2005 | 486,767 | - | 486,767 | 102,200 | 118,537 | 220,737 | 2.21 | |
| 2004 | 451,124 | - | 451,124 | 96,029 | 108,658 | 204,687 | 2.20 | |
| 2003 | 456,824 | - | 456,824 | 94,725 | 101,215 | 195,940 | 2.33 | |
| 2002 | 455,118 | - | 455,118 | 82,050 | 87,114 | 169,164 | 2.69 | |
| 2001 | 484,694 | - | 484,694 | 72,964 | 92,421 | 165,385 | 2.93 | |
| 2000 | 469,540 | - | 469,540 | 68,534 | 90,454 | 158,988 | 2.95 | |
| Civic Center Bond Fund - Pledged revenue of portion of sales tax collections | | | | | | | | |
| 2009 | \$ 19,000 | \$ - | \$ 19,000 | \$ 8,100 | \$ 5,750 | \$ 13,850 | 1.37 | |
| 2008 | 19,000 | - | 19,000 | 7,610 | 6,236 | 13,846 | 1.37 | |
| 2007 | 19,000 | - | 19,000 | 7,175 | 6,677 | 13,852 | 1.37 | |
| 2006 | 19,000 | - | 19,000 | 6,790 | 7,058 | 13,848 | 1.37 | |
| 2005 | 19,000 | - | 19,000 | 6,455 | 7,383 | 13,838 | 1.37 | |
| 2004 | 19,000 | - | 19,000 | 6,160 | 7,682 | 13,842 | 1.37 | |
| 2003 | 19,000 | - | 19,000 | 5,875 | 7,972 | 13,847 | 1.37 | |
| 2002 | 19,000 | - | 19,000 | 5,585 | 8,258 | 13,843 | 1.37 | |
| 2001 | 19,000 | - | 19,000 | 5,990 | 7,872 | 13,862 | 1.37 | |
| 2000 | 19,000 | - | 19,000 | 4,710 | 9,595 | 14,305 | 1.33 | |
| Illinois Student Assistance Commission - Pledged revenue of loans receivable repayments | | | | | | | | |
| 2009 | \$ 50,809 | \$ 28,085 | \$ 22,724 | \$ - | \$ 17,988 | \$ 17,988 | 1.26 | |
| 2008 | 74,913 | 30,472 | 44,441 | 150 (a) | 57,142 | 57,292 | 0.78 | |
| 2007 | 192,214 | 90,691 | 101,523 | 40,135 (b) | 154,887 | 195,022 | 0.52 | |
| 2006 | 163,023 | 91,585 | 71,438 | 130,475 | 132,548 | 263,023 | 0.27 | |
| 2005 | 107,734 | 76,197 | 31,537 | 97,340 | 60,100 | 157,440 | 0.20 | |
| 2004 | 89,077 | 65,449 | 23,628 | 80,375 (c) | 31,478 | 111,853 | 0.21 | |
| 2003 | 91,748 | 55,401 | 36,347 | 137,345 | 40,900 | 178,245 | 0.20 | |
| 2002 | 97,034 | 37,869 | 59,165 | 10,805 (d) | 49,855 | 60,660 | 0.98 | |
| 2001 | 141,279 | 29,161 | 112,118 | 13,345 (e) | 17,804 | 31,149 | 3.60 | |
| 2000 | 149,601 | 24,956 | 124,645 | 4,965 (f) | 21,832 | 26,797 | 4.65 | |

(a) The Commission redeemed \$2.608 billion of principal by the sale of a portion of their student loan portfolio during fiscal year 2008.

(b) The Commission redeemed \$690.2 billion of principal by the sale of a portion of their student loan portfolio during fiscal year 2007.

(c) The Commission redeemed \$50.5 million of principal with bond issuance proceeds in October 2003.

(d) The Commission redeemed \$33.6 million of principal with bond issuance proceeds in January 2002.

(e) The Commission redeemed \$29.5 million of principal with bond issuance proceeds in November 2000.

(f) The Commission redeemed \$34.8 million of principal with bond issuance proceeds in February 2000.

Pledged Revenue Coverage
Last Ten Fiscal Years
(Amounts in Thousands)

| Amounts in Thousands | | | | | | | | |
|---|-------------------|---------------------------------|--|---------------------------|------------|------------|----------|--|
| Fiscal Year | Gross Revenues | Direct Operating Expenses | Net Revenue Available for Debt Service | Debt Service Requirements | | | Coverage | |
| | | | | Principal | Interest | Total | | |
| MAJOR COMPONENT UNITS | | | | | | | | |
| Illinois Housing Development Authority - Pledged revenue of loans receivable repayments | | | | | | | | |
| 2009 | \$ 88,542 | \$ 6,604 | \$ 81,938 | \$ 116,119 | \$ 75,836 | \$ 191,955 | 0.43 | |
| 2008 | 106,031 | 6,653 | 99,378 | 348,355 | 80,330 | 428,685 | 0.23 | |
| 2007 | 103,846 | 6,619 | 97,227 | 355,485 | 77,406 | 432,891 | 0.22 | |
| 2006 | 91,301 | 7,478 | 83,823 | 251,415 | 70,237 | 321,652 | 0.26 | |
| 2005 | 91,505 | 6,892 | 84,613 | 452,138 | 79,271 | 531,409 | 0.16 | |
| 2004 | 98,672 | 6,252 | 92,420 | 616,241 | 99,276 | 715,517 | 0.13 | |
| 2003 | 125,738 | 8,134 | 117,604 | 392,805 | 111,058 | 503,863 | 0.23 | |
| 2002 | 133,750 | 9,549 | 124,201 | 311,697 | 123,462 | 435,159 | 0.29 | |
| 2001 | 150,603 | 8,843 | 141,760 | 237,500 | 129,254 | 366,754 | 0.39 | |
| 2000 | 150,560 | 11,538 | 139,022 | 358,529 | 125,340 | 483,869 | 0.29 | |
| Illinois State Toll Highway Authority - Pledged revenue of toll fees (g) | | | | | | | | |
| 2008 | \$ 836,557 | \$ 406,169 | \$ 430,388 | \$ 50,030 | \$ 145,679 | \$ 195,709 | 2.20 | |
| 2007 | 675,190 | 252,529 | 422,661 | 47,350 | 121,071 | 168,421 | 2.51 | |
| 2006 | 660,874 | 219,292 | 441,582 | 45,035 | 72,012 | 117,047 | 3.77 | |
| 2005 | 642,620 | 215,796 | 426,824 | 13,455 | 34,924 | 48,379 | 8.82 | |
| 2004 | 427,390 | 200,525 | 226,865 | 41,235 | 36,319 | 77,554 | 2.93 | |
| 2003 | 441,655 | 195,702 | 245,953 | 69,255 | 38,316 | 107,571 | 2.29 | |
| 2002 | 384,861 | 165,469 | 219,392 | 37,575 | 41,195 | 78,770 | 2.79 | |
| 2001 | 391,716 | 160,687 | 231,029 | 35,890 | 42,928 | 78,818 | 2.93 | |
| 2000 | 380,095 | 151,386 | 228,709 | 33,580 | 44,549 | 78,129 | 2.93 | |
| 1999 | 357,981 | 146,881 | 211,100 | 27,835 | 38,730 | 66,565 | 3.17 | |
| Illinois State University - Pledged revenue of usage fees and rental income | | | | | | | | |
| 2009 | \$ 78,019 | \$ 58,859 | \$ 19,160 | \$ 5,330 | \$ 4,058 | \$ 9,388 | 2.04 | |
| 2008 | 75,181 | 57,809 | 17,372 | 5,265 | 2,647 | 7,912 | 2.20 | |
| 2007 | 67,176 | 51,077 | 16,099 | 5,185 | 2,757 | 7,942 | 2.03 | |
| 2006 | 61,864 | 49,947 | 11,917 | 5,095 | 1,175 | 6,270 | 1.90 | |
| 2005 | 57,753 | 46,088 | 11,665 | 4,770 | 1,219 | 5,989 | 1.95 | |
| 2004 | 58,448 | 45,921 | 12,527 | 4,790 | 1,302 | 6,092 | 2.06 | |
| 2003 | 56,249 | 44,860 | 11,389 | 4,595 | 1,111 | 5,706 | 2.00 | |
| 2002 | 54,881 | 46,773 | 8,108 | 4,560 | 1,145 | 5,705 | 1.42 | |
| 2001 | 51,120 | 40,352 | 10,768 | 4,305 | 1,337 | 5,642 | 1.91 | |
| 2000 | 49,152 | 37,498 | 11,654 | 4,070 | 1,637 | 5,707 | 2.04 | |
| Northern Illinois University - Pledged revenue of usage fees and rental income | | | | | | | | |
| 2009 | \$ 77,095 | \$ 66,095 | \$ 11,000 | \$ 6,060 | \$ 4,090 | \$ 10,150 | 1.08 | |
| 2008 | 76,692 | 66,080 | 10,612 | 5,945 | 4,204 | 10,149 | 1.05 | |
| 2007 | 76,742 | 69,751 | 6,991 | 5,840 | 4,311 | 10,151 | 0.69 | |
| 2006 | 72,426 | 53,745 | 18,681 | 5,740 | 4,406 | 10,146 | 1.84 | |
| 2005 | 67,645 | 51,008 | 16,637 | 5,595 | 4,549 | 10,144 | 1.64 | |
| 2004 | 66,653 | 51,240 | 15,413 | 5,295 | 4,846 | 10,141 | 1.52 | |
| 2003 | 64,132 | 49,394 | 14,738 | 5,015 | 5,128 | 10,143 | 1.45 | |
| 2002 | 61,549 | 45,329 | 16,220 | 6,095 | 3,914 | 10,009 | 1.62 | |
| 2001 | 57,405 | 47,148 | 10,257 | 2,733 | 5,193 | 7,926 | 1.29 | |
| 2000 | 50,730 | 42,233 | 8,497 | 1,337 | 5,221 | 6,558 | 1.30 | |

(g) The Illinois State Toll Highway Authority fiscal year is from January 1 to December 31.

Pledged Revenue Coverage
Last Ten Fiscal Years
(Amounts in Thousands)

| Amounts in Thousands | | | | | | | | |
|---|-------------------|---------------------------------|--|---------------------------|-----------|-----------|----------|--|
| Fiscal Year | Gross Revenues | Direct Operating Expenses | Net Revenue Available for Debt Service | Debt Service Requirements | | | Coverage | |
| | | | | Principal | Interest | Total | | |
| Southern Illinois University - Pledged revenue of usage fees, rental income, and medical fees | | | | | | | | |
| 2009 | \$ 137,463 | \$ 106,839 | \$ 30,624 | \$ 12,815 | \$ 8,437 | \$ 21,252 | 1.44 | |
| 2008 | 125,666 | 101,535 | 24,131 | 12,365 | 7,592 | 19,957 | 1.21 | |
| 2007 | 116,481 | 92,345 | 24,136 | 10,920 | 7,430 | 18,350 | 1.32 | |
| 2006 | 104,713 | 86,382 | 18,331 | 8,735 | 5,392 | 14,127 | 1.30 | |
| 2005 | 97,859 | 79,784 | 18,075 | 8,260 | 4,478 | 12,738 | 1.42 | |
| 2004 | 90,316 | 73,753 | 16,563 | 7,465 | 4,098 | 11,563 | 1.43 | |
| 2003 | 81,515 | 65,836 | 15,679 | 7,465 | 4,098 | 11,563 | 1.36 | |
| 2002 | 80,968 | 64,612 | 16,356 | 7,160 | 4,007 | 11,167 | 1.46 | |
| 2001 | 81,183 | 67,667 | 13,516 | 9,385 | 3,333 | 12,718 | 1.06 | |
| 2000 | 75,835 | 67,246 | 8,589 | 5,630 | 4,981 | 10,611 | 0.81 | |
| University of Illinois - Pledged revenue of usage fees, rental income, and medical fees | | | | | | | | |
| 2009 | \$ 896,275 | \$ 797,980 | \$ 98,295 | \$ 32,265 | \$ 43,325 | \$ 75,590 | 1.30 | |
| 2008 | 883,813 | 784,154 | 99,659 | 30,330 | 44,631 | 74,961 | 1.33 | |
| 2007 | 841,998 | 737,499 | 104,499 | 29,710 | 41,118 | 70,828 | 1.48 | |
| 2006 | 793,906 | 712,608 | 81,298 | 24,080 | 34,643 | 58,723 | 1.38 | |
| 2005 | 752,592 | 674,645 | 77,947 | 25,425 | 29,208 | 54,633 | 1.43 | |
| 2004 | 810,251 | 609,442 | 200,809 | 22,560 | 29,179 | 51,739 | 3.88 | |
| 2003 | 660,059 | 578,082 | 81,977 | 15,755 | 26,844 | 42,599 | 1.92 | |
| 2002 | 613,413 | 540,832 | 72,581 | 24,785 | 23,903 | 48,688 | 1.49 | |
| 2001 | 665,320 | 604,468 | 60,852 | 18,990 | 21,530 | 40,520 | 1.50 | |
| 2000 | 713,905 | 654,264 | 59,641 | 18,985 | 11,801 | 30,786 | 1.94 | |

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State of Illinois**Demographic and Economic Statistics****Last Ten Calendar Years (expressed in thousands)**

| | For the Calendar Year | | | |
|-----------------------------------|-----------------------|-------------------|-------------------|-------------------|
| | 2008 | 2007 | 2006 | 2005 |
| Population | | | | |
| State | 12,902 | 12,826 | 12,760 | 12,704 |
| Percentage change | 0.59% | 0.52% | 0.44% | 0.30% |
| National | 304,060 | 301,290 | 298,363 | 295,561 |
| Percentage change | 0.92% | 0.98% | 0.95% | 0.91% |
| Total Personal Income | | | | |
| State | \$ 546,344,259 | \$ 533,161,706 | \$ 504,627,857 | \$ 472,185,017 |
| Percentage change | 2.47% | 5.65% | 6.87% | 3.68% |
| National | \$ 12,225,589,000 | \$ 11,879,836,000 | \$ 11,256,516,000 | \$ 10,476,669,000 |
| Percentage change | 2.91% | 5.54% | 7.44% | 5.52% |
| Per Capita Personal Income | | | | |
| State | \$ 42.346 | \$ 41.569 | \$ 39.548 | \$ 37.168 |
| Percentage change | 1.87% | 5.11% | 6.40% | 3.37% |
| National | \$ 40.208 | \$ 39.430 | \$ 37.728 | \$ 35.447 |
| Percentage change | 1.97% | 4.51% | 6.43% | 4.57% |
| Labor Force | | | | |
| State labor force | 6,697 | 6,690 | 6,558 | 6,433 |
| Employed | 6,264 | 6,349 | 6,255 | 6,061 |
| Unemployed | 433 | 341 | 303 | 372 |
| Unemployment rate | 6.5% | 5.1% | 4.6% | 5.8% |

Source: U.S. Bureau of Economic Analysis and Department of Employment Security

Ended,

| 2004 | 2003 | 2002 | 2001 | 2000 | 1999 |
|------------------|------------------|------------------|------------------|------------------|------------------|
| 12,666 | 12,611 | 12,565 | 12,511 | 12,438 | 12,359 |
| 0.44% | 0.37% | 0.43% | 0.59% | 0.64% | 0.71% |
| 292,892 | 290,211 | 287,727 | 285,040 | 282,172 | 279,040 |
| 0.92% | 0.86% | 0.94% | 1.02% | 1.12% | 1.15% |
| \$ 455,415,566 | \$ 435,952,479 | \$ 423,393,117 | \$ 415,145,091 | \$ 405,918,799 | \$ 378,415,180 |
| 4.46% | 2.97% | 1.99% | 2.27% | 7.27% | 5.09% |
| \$ 9,928,790,000 | \$ 9,369,072,000 | \$ 9,054,781,000 | \$ 8,878,830,000 | \$ 8,554,866,000 | \$ 7,906,131,000 |
| 5.97% | 3.47% | 1.98% | 3.79% | 8.21% | 6.61% |
| \$ 35.956 | \$ 34.569 | \$ 33.696 | \$ 33.182 | \$ 32.635 | \$ 30.619 |
| 4.01% | 2.59% | 1.55% | 1.68% | 6.59% | 4.35% |
| \$ 33.899 | \$ 32.284 | \$ 31.470 | \$ 31.149 | \$ 30.318 | \$ 28.333 |
| 5.00% | 2.59% | 1.03% | 2.74% | 7.00% | 5.39% |
| 6,366 | 6,343 | 6,387 | 6,465 | 6,468 | 6,430 |
| 5,969 | 5,917 | 5,969 | 6,114 | 6,177 | 6,143 |
| 397 | 426 | 418 | 351 | 291 | 287 |
| 6.2% | 6.7% | 6.5% | 5.4% | 4.5% | 4.6% |

State of Illinois**Employees by Function****Last Ten Fiscal Years**

| | Employees | | | | |
|-------------------------------------|------------------|---------------|---------------|---------------|---------------|
| | 2009 | 2008 | 2007 | 2006 | 2005 |
| Health and social services | 21,912 | 22,701 | 22,784 | 23,230 | 22,767 |
| Education | 767 | 758 | 750 | 763 | 766 |
| General government | 12,205 | 12,366 | 12,515 | 12,421 | 12,256 |
| Employment and economic development | 3,287 | 3,074 | 3,213 | 3,366 | 3,394 |
| Transportation | 7,574 | 7,638 | 8,407 | 8,098 | 8,261 |
| Public protection and justice | 18,886 | 18,913 | 19,793 | 20,181 | 20,414 |
| Environment and business regulation | 4,398 | 4,694 | 4,850 | 4,844 | 4,788 |
| Total | <u>69,029</u> | <u>70,144</u> | <u>72,312</u> | <u>72,903</u> | <u>72,646</u> |

Schedule 13

as of June 30,

| 2004 | 2003 | 2002 | 2001 | 2000 |
|---------------|---------------|---------------|---------------|---------------|
| 24,262 | 24,134 | 29,016 | 30,595 | 30,722 |
| 767 | 806 | 964 | 1,056 | 1,114 |
| 11,934 | 11,804 | 13,198 | 13,277 | 13,048 |
| 3,576 | 3,412 | 3,829 | 3,775 | 3,819 |
| 8,760 | 9,336 | 10,138 | 10,167 | 10,082 |
| 20,819 | 20,320 | 23,958 | 23,854 | 23,104 |
| 5,294 | 5,434 | 6,318 | 6,373 | 6,598 |
| <u>75,412</u> | <u>75,246</u> | <u>87,421</u> | <u>89,097</u> | <u>88,487</u> |

State of Illinois

**Operating Indicators by Function/Program
Last Ten Fiscal Years**

| Function/Program | For the Fiscal Year | | | |
|--|----------------------------|-------------|-------------|-------------|
| | 2009 | 2008 | 2007 | 2006 |
| Health and Social Services | | | | |
| Child abuse and neglect | | | | |
| Calls to abuse/neglect hotline | 258,237 | 266,011 | 258,563 | 257,481 |
| Children investigated | 111,574 | 111,869 | 111,746 | 110,225 |
| Medical programs | | | | |
| Number of children enrolled in medical programs | 1,553,227 | 1,457,829 | 1,369,050 | 1,216,983 |
| Number of parents enrolled in medical programs | 562,689 | 580,760 | 545,502 | 498,195 |
| Child support | | | | |
| Number of child support cases with orders | 394,123 | 390,745 | 420,004 | 398,888 |
| Family case management | | | | |
| Number of pregnant women and infants enrolled in FCM | 276,801 | 291,417 | 292,302 | 285,459 |
| Persons with disabilities receiving in-home services to prevent institutionalization | 39,412 | 38,093 | 36,858 | 35,916 |
| Immunization rates of children under age two | 78% | 78% | 83% | 87% |
| General government | | | | |
| Taxes | | | | |
| Number of individual income tax returns processed | 6,132,529 | 6,119,040 | 5,963,636 | 5,712,563 |
| Percent of individual income tax returns filed electronically | 56% | 52% | 46% | 44% |
| Total number of payments processed through State Treasury | 15,912,093 | 15,623,763 | 15,512,005 | 15,092,629 |
| Education | | | | |
| Elementary and secondary education | | | | |
| Public school enrollment | 2,112,132 | 2,113,435 | 2,118,692 | 2,111,706 |
| Graduation rate | 87.1% | 86.5% | 85.9% | 87.8% |
| Dropout rate | 3.5% | 4.1% | 3.5% | 3.5% |
| Higher education | | | | |
| Enrollment | 867,090 | 821,026 | 814,189 | 805,764 |
| Degrees conferred | not available | 181,370 | 167,066 | 163,153 |
| Transportation | | | | |
| Miles of pavement maintained/improved | 2,528 | 933 | 908 | 820 |
| Number of bridges maintained/improved | 293 | 272 | 274 | 255 |
| Employment and economic development | | | | |
| Unemployment insurance * | | | | |
| Number of claims | 872,368 | 696,109 | 670,402 | 702,725 |
| Average duration (weeks) | 16.71 | 17.31 | 17.34 | 18.23 |
| State Fair | | | | |
| State Fair attendees | 737,052 | 613,000 | 703,000 | 672,615 |
| DuQuoin State Fair attendees | 331,000 | 298,000 | 330,000 | 298,286 |
| Tourism | | | | |
| Historic site attendance (in thousands) | 2,010 | 2,206 | 2,221 | 2,498 |
| Public protection and justice | | | | |
| Crime Rates | | | | |
| Violent crime rates per 100,000 in population * | 540 | 548 | 562 | 569 |
| Property crime rates per 100,000 in population * | 3,010 | 3,014 | 3,127 | 3,171 |
| Total crime rates per 100,000 in population | 3,550 | 3,562 | 3,689 | 3,740 |
| Violent crime arrest rates per 100,000 in population * | 188 | 191 | 201 | 212 |
| Property crime arrest rates per 100,000 in population * | 579 | 556 | 547 | 599 |
| Total crime arrest rates per 100,000 in population | 767 | 747 | 748 | 811 |
| Forensic services | | | | |
| Number of original crime scenes processed | 3,081 | 3,138 | 3,457 | 4,816 |
| Number of Deoxyribonucleic Acid (DNA) cases worked | 4,590 | 3,390 | 2,830 | 3,464 |
| Total number of forensic cases worked | 115,044 | 112,644 | 119,045 | 116,192 |
| Number of DNA offender samples worked | 35,722 | 37,937 | 46,647 | 106,374 |
| Environment and business regulation | | | | |
| Professional Regulation | | | | |
| Professional complaints received | 13,800 | 10,912 | 9,498 | 9,024 |
| Licenses placed on probation | 530 | 455 | 344 | 419 |

* Statistics for unemployment insurance and crime rates are based on the previous ending calendar year.

Schedule 14

Ended or as of June 30,

| 2005 | 2004 | 2003 | 2002 | 2001 | 2000 |
|------------|------------|---------------|---------------|---------------|---------------|
| 249,764 | 277,295 | 293,292 | 304,804 | 306,506 | 306,818 |
| 111,830 | 104,236 | 97,413 | 98,181 | 100,448 | 103,577 |
| 1,159,593 | 1,094,077 | 1,022,058 | 960,000 | 946,138 | Not available |
| 463,506 | 388,636 | Not available | Not available | Not available | Not available |
| 335,568 | 328,211 | 331,003 | 366,353 | 323,296 | 322,012 |
| 282,840 | 280,969 | 277,322 | 267,402 | 233,906 | 230,000 |
| 32,549 | 34,156 | 31,970 | 30,016 | 27,531 | 24,357 |
| 86% | 85% | 80% | 76% | 77% | 78% |
| 5,798,585 | 5,757,659 | 5,782,567 | 5,831,078 | 5,700,000 | 5,621,775 |
| 42% | 38% | 33% | 28% | 22% | 19% |
| 14,896,011 | 15,157,741 | 15,979,883 | 14,078,664 | 15,988,446 | 14,884,506 |
| 2,062,912 | 2,060,008 | 2,084,490 | 2,071,391 | 2,048,792 | 2,027,600 |
| 87.4% | 86.5% | 86.0% | 85.2% | 83.2% | 82.6% |
| 4.0% | 4.6% | 6.0% | 5.1% | 5.7% | 5.8% |
| 801,548 | 799,216 | 781,190 | 752,753 | 742,949 | 735,038 |
| 160,806 | 155,216 | 149,865 | 139,154 | 134,833 | 129,044 |
| 919 | 1,155 | 1,561 | 1,555 | 1,815 | 1,219 |
| 206 | 219 | 319 | 333 | 501 | 254 |
| 766,032 | 855,658 | 875,777 | 825,811 | 636,532 | 604,070 |
| 18.92 | 19.01 | 19.01 | 15.37 | 15.77 | 17.60 |
| 671,334 | 725,000 | 1,264,750 | 1,130,000 | 1,162,000 | 1,063,059 |
| 315,731 | 270,346 | 500,854 | 447,955 | 393,088 | 411,749 |
| 2,772 | 2,680 | 2,665 | 2,656 | 2,664 | 2,915 |
| 562 | 573 | 625 | 653 | 669 | 703 |
| 3,282 | 3,382 | 3,519 | 3,586 | 3,681 | 3,901 |
| 3,844 | 3,955 | 4,144 | 4,239 | 4,350 | 4,604 |
| 205 | 206 | 211 | 215 | 220 | 238 |
| 622 | 653 | 699 | 745 | 762 | 800 |
| 827 | 859 | 910 | 960 | 982 | 1,038 |
| 4,519 | 4,198 | 4,289 | 4,846 | 4,896 | Not available |
| 3,397 | 2,812 | 2,253 | 2,703 | Not available | Not available |
| 116,882 | 110,863 | 107,947 | 109,648 | Not available | Not available |
| 65,009 | 24,244 | 3,508 | 2,862 | Not available | Not available |
| 9,195 | 9,781 | 11,085 | 9,165 | 9,702 | 10,372 |
| 488 | 590 | 603 | 436 | 572 | 504 |

State of Illinois**Capital Asset and Infrastructure Statistics by Function/Program****Last Ten Fiscal Years**

| | For the Fiscal Year | | | | |
|-------------------------------------|---------------------|---------|---------|---------|---------|
| | 2009 | 2008 | 2007 | 2006 | 2005 |
| Health and social services | | | | | |
| Mental health facilities | 18 | 18 | 18 | 18 | 18 |
| Veterans homes | 4 | 4 | 4 | 4 | 4 |
| Transportation | | | | | |
| Highway miles | 16,075 | 16,090 | 16,398 | 16,430 | 16,459 |
| Bridges | 7,693 | 7,844 | 8,284 | 8,296 | 8,232 |
| Public protection and justice | | | | | |
| Adult correctional facilities | 28 | 28 | 28 | 27 | 27 |
| Juvenile correctional facilities | 8 | 8 | 8 | 8 | 8 |
| Environment and business regulation | | | | | |
| State park acreage | 469,244 | 373,857 | 371,793 | 499,515 | 387,753 |
| Protected natural area acreage | 89,399 | 89,764 | 89,731 | 87,731 | 85,375 |

Note: No capital asset indicators are available for the education, general government, and employment and economic development functions.

Schedule 15

Ended or as of June 30,

| 2004 | 2003 | 2002 | 2001 | 2000 |
|-------------------|-------------------|-------------------|-------------------|-------------------|
| 18 4 | 18 4 | 20 4 | 20 4 | 20 4 |
| 16,513 8,222 | 16,538 8,227 | 16,601 8,230 | 16,650 8,239 | 16,717 8,251 |
| 27 8 | 26 8 | 27 9 | 27 8 | 26 8 |
| 456,039 82,957 | 450,814 76,179 | 440,465 71,163 | 417,475 66,649 | 402,302 63,821 |

Comptroller Daniel W. Hynes is the Chief Fiscal Officer for the State of Illinois, with responsibilities for managing state financial accounts, maintaining payment and contract information, processing approximately 16 million transactions a year, and ensuring that all payments are in accordance with state law. The Comptroller's Office also provides timely and accurate fiscal information and analyses to the Governor, the Illinois General Assembly, and Local Government Officials as well as to the public to enhance governmental accountability and transparency and to assist in the formulation of budgetary policy.